Supreme Court, U.S.
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No. _____

In The
Supreme Court of the United States

SMACK APPAREL COMPANY AND WAYNE CURTISS,
Petitioners,

v.

BOARD OF SUPERVISORS OF THE LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, OHIO STATE UNIVERISTY, UNIVERSITY OF SOUTHERN CALIFORNIA, AND THE COLLEGIATE LICENSING COMPANY,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Did the court below err in denying Smack's Petition for Rehearing en banc for the purpose of overruling *Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg, Inc.*, 510 F.2d 1004 (5th Cir. 1975), holding that the sale of products "universally associated" with a trademark owner "supported the inescapable inference that many would believe that the product itself originated with or was somehow endorsed by" the trademark owner?

2. Did the court below err in affirming a summary judgment in favor of universities asserting that their traditional school colors combined with other identifying indicia constitutes a trademark, and that this trademark was infringed by t-shirts incorporating the universities' school colors combined with messages and graphic images which refer to the universities?

3. Did the court below err in finding, as a matter of law, that the universities' trademark (school colors combined with indicia identified with the universities) was not functional, despite the court's finding that consumers purchase shirts which incorporate the mark in order to show support for the particular university, that there is no consumer demand without these identifying characteristics, and that the mark has no demonstrated value other than its significance to identify with the universities?

4. Did the court below err in finding, as a matter of law, that the display of the universities' trademark (school colors combined with indicia identified with

the universities) on t-shirts was not a nominative fair use of the mark despite evidence that the universities are not readily identifiable without using the mark, the t-shirts incorporate only so much of the mark as was reasonably necessary to identify the universities, and the t-shirt manufacturer did nothing that would, in conjunction with the mark, suggest that the t-shirts were sponsored or endorsed by the universities?

PARTIES TO THE PROCEEDING

See case caption. Petitioner Smack Apparel Company is a Florida corporation, the stock of which is owned by petitioner Wayne Curtiss and his wife, and which has no parent or subsidiaries.

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PETITION FOR WRIT OF CERTIORARI

Petitioners request that a writ of certiorari issue to review the final order of the United States Court of Appeals for the Fifth Circuit ("Fifth Circuit").

OPINIONS BELOW

The opinion of the Fifth Circuit is reported as *Board of Supervisors for Louisiana State University Agricultural and Mechanical College v. Smack Apparel Co.*, 550 F.3d 465 (5th Cir.2008) and reproduced in the Appendix ("App.") at 1a. The Fifth Circuit's order denying Petitioners' Petition for Rehearing en banc is unpublished and reproduced in the Appendix at App. 72a. The order entered by the District Court granting partial summary judgment to Respondents is reported as *Board of Supervisors of LA State University v. Smack Apparel Co.*, 438 F. Supp. 2d 653 (E.D.La. 2006) and is reproduced in the Appendix at App. 49a.

JURISDICTION

On November 25, 2008, the Fifth Circuit affirmed the decision of the District Court granting summary judgment to respondents. On December 23, 2008, the Fifth Circuit denied Petitioners' Petition for Rehearing. The Court's jurisdiction is invoked pursuant to 28 U.S.C. § 1254(1).

STATUTES AND CONSTITUTIONAL PROVISIONS INVOLVED

Section 43(a) of the Lanham Act, codified at 15 U.S.C. § 1125(a), provides as follows:

> (a) Civil action
>
> (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--
>
> > (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
> >
> > (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

STATEMENT OF THE CASE

Statement of the Facts

Since 1998, Smack Apparel has been in the business of manufacturing unlicensed t-shirts for collegiate sports fans which incorporate the traditional team colors of various colleges and universities. Smack attempts to distinguish its products from licensed merchandise in several ways. First, it does not use the design elements that are typically found on licensed merchandise, such as the name of the university and team mascot, or images of the school's seal, mascot, logos, and other registered trademarks. Instead of incorporating the university's registered trademarks in its t-shirt designs, Smack uses words and images which are not trademarks, and which indirectly refer to the school, such as the geographic location of the school, a reference to an opponent of the school, or the score of a game which the school won. Smack is also known for the humorous messages which are intended to taunt fans of the opposing team, which are rarely found on licensed products. When such non-specific design elements are portrayed on a t-shirt which incorporates the traditional school colors of the university, a fan (or opponent) can understand which school the t-shirt is intended to refer to, and Smack markets its shirts to such fans. The company name ("Smack") is taken from a slang term for bragging or boastful language that fans often use when referring to fans of the opposing team.

Smack is located in Tampa, Florida, where its shirts are manufactured. Smack sells its t-shirts primarily to retail stores which offer the shirts for sale to the public. Smack also maintains a website through

which it sells its t-shirts directly to the public. Smack's website states that its shirts are "licensed only by the First Amendment." Smack does nothing to suggest that its t-shirts are licensed or approved by the schools referred to by the t-shirts. Smack's t-shirts each display the company logo (approximately 2.5 inches in width), which contains the company name and the words "Talkin' the Talk."

Plaintiffs Louisiana State University (LSU), the University of Oklahoma (OU), Ohio State University (OSU), and the University of Southern California (USC), along with their licensing agent, Collegiate Licensing Company (CLC), sued defendant Smack Apparel Company and its principal, Wayne Curtiss, under the Lanham Act and related state statutes. Plaintiffs contended that their respective school colors (purple and gold for LSU, crimson and cream for OU, scarlet and gray for OSU, and cardinal and gold for USC), when displayed on products containing references to the universities or their accomplishments and directed to fans of the universities and other interested consumers, constitute common law trademarks.

Smack denied that the claimed trademark (school colors in combination with references to the universities) was adequately distinctive to serve as a trademark, and denied that there was a likelihood that consumers would think that Smack's products were manufactured, endorsed, or approved by the universities. Smack contended that the universities' alleged marks (school colors in combination with references to the universities) were functional, since the products in question constitute "game day" apparel, and there was no consumer demand for "game

day" apparel which did not make some reference to the teams which were playing. Smack also contended that its use of the school colors in combination with references to the schools constituted a nominative fair use, because Smack did not use any of the schools' registered trademarks, and did nothing to suggest that its t-shirts were endorsed or approved by the schools.

The T-Shirts at Issue

Plaintiffs contend that six of Smack's t-shirts infringe their common law trademarks and unfairly compete with products licensed by plaintiffs.

Two of the allegedly offending designs are for LSU fans:

(1) **"Beat Oklahoma"** – This t-shirt is printed with gold lettering on purple fabric. The front of this t-shirt contains the following design elements:

(a) The phrase "Beat Oklahoma"; and
(b) The Smack logo, consisting of the word "Smack" displayed within an oval border containing the word "apparel", below which is displayed the phrase "Talkin' the Talk".

The back of this t-shirt contains the following design elements:

(a) The phrase "And Bring It Back To The Bayou!"; and
(b) The phrases "2003 College Football National Championship" and "January 4, 2004 New Orleans, Louisiana" in smaller letters; and

(c) A graphic image of a trophy with a football on top of the trophy.

(2) **"Sweet as Sugar"** – The "Sweet as Sugar" t-shirt design is printed with purple lettering on gold fabric. The front of this t-shirt design contains the following design elements:

(a) The phrases "2003 College Football National Champions" and "New Orleans, Louisiana";
(b) A graphic image of a trophy with a football on top of the trophy; and
(c) The Smack logo.

The reverse side of this t-shirt design contains the following design elements:

(a) Numbers (representing the scores of each football game which LSU played during the 2003 football regular season) displayed within a circular design, with accompanying phrases which indirectly refer to the opponent in each such game (e.g. the phrase "Crimson Cried", a derivation of the University of Alabama team nickname, "Crimson Tide," appears directly below the numbers 27-3, the score of the game between LSU and Alabama played during the 2003 football season);
(b) The phrases "2003 College Football National Champions" and "New Orleans, Louisiana";
(c) The numbers "33-20" and the words "Sweet as Sugar" in the center of the circular design, referring to the score of the 2004 Sugar Bowl game in which LSU became the 2003 College Football National Champions.

The "Sweet as Sugar" t-shirt design was intended for fans of LSU to celebrate the National Championship won by LSU in January 2004. The game scores are shown with verbal jabs which poke fun at the opponents defeated by LSU during the regular season.

Two of the allegedly offending designs are for OU fans:

(1) **"Beat SoCal"** - This t-shirt is printed with white lettering on red fabric. The front of this t-shirt contains the following design elements:

(a) The phrase "Beat SoCal"; and
(b) The Smack logo.

The back of this t-shirt contains the following design elements:

(a) The phrase "And Let's Make It Eight!"; and
(b) The phrases "2004 College Football National Championship" and "January 4, 2005 Miami, Florida" in smaller letters; and
(c) A graphic image of a trophy with a football on top of the trophy.

The "Beat SoCal" t-shirt is intended to refer to a football game played between OU and USC for the college football national championship in January, 2004. The phrase "Let's Make it Eight" refers to the fact that OU had previously won seven national championships in football, and that if OU were to win that game, it would have won a total of eight national football championships. The t-shirt does not utilize any

registered trademark of OU or any other school as part of the design elements.

(2) **"Bourbon Street or Bust"** – This t-shirt is printed with white lettering on red fabric. The front of this t-shirt contains the following design elements:

(a) The phrase "Bourbon Street or Bust" (with the letters "ou" in "Bourbon" displayed in a different font and the word "or" embedded in a graphic image of a football);
(b) Graphic images of a martini glass and a Mardi Gras mask, and
(c) The Smack logo.

The back of this t-shirt contains the following design elements:

(a) The phrase "Show us your beads!" (with the "ou" in "your" in a different color and font);
(b) Graphic images of a martini glass and a Mardi Gras mask,
(c) The phrase "It'll be Sweet as Sugar" with the word "as" embedded in a football; and
(d) A banner containing the words "January 4, 2004 New Orleans, Louisiana".

While the letters "ou" in the word "Bourbon" are displayed in a font which is different than the other letter in the word, OU had not registered the letters "OU" as a trademark prior to the filing of this lawsuit. Before making the "Bourbon Street or Bust" t-shirt, Smack investigated OU's registered trademarks and discovered that while OU had registered a trademark for a stylized interlocking form of the letters OU, it had not attempted to register the letters "OU". The

phrases "Show us your beads" and "Bourbon Street or Bust" were intended to be statements that a typical OU fan might make. OU does not make or sponsor any t-shirt that is similar to the "Bourbon Street or Bust" t-shirt. Suzanne Staley, OU's Director of Brand Development, testified that OU would not license a shirt similar to the "Bourbon Street or Bust" t-shirt for two reasons: (1) the presence of a martini glass on the t-shirt implies consumption of alcohol, and OU does not license products which encourage consumption of alcohol; and (2) the phrase "show us your beads" implies nudity, and OU does not license products which involve sexual innuendo.

One of the allegedly infringing designs is for fans of OSU.

(1) **"Got Seven?"** – The "Got Seven?" t-shirt design is printed with white lettering on red fabric. The front side of this t-shirt design contains the following design elements:

(a) The phrase "Got Seven?"; and
(b) The Smack logo.

The reverse side of this t-shirt design contains the following design elements:

(a) The phrase "We Do!";
(b) A map of the state of Ohio with the words "Columbus, Ohio", a star indicating the location of Columbus on the map, and a graphic image of a football;
(c) The phrase "Home of the 7 Time National Champs";

(d) Seven graphic images of trophies with a football on top of each trophy; and
(e) Below each trophy is a date representing each of the years in which OSU was the National College Football Champion; and
(f) The Smack logo.

One of the allegedly infringing designs is for fans of USC.

(1) **"Got Eight?"** – The "Got Eight?" t-shirt design is printed with gold lettering on red fabric. The front side of this t-shirt design contains the following design elements:

(a) The phrase "Got Eight?"; and
(b) The Smack logo.

The reverse side of this t-shirt design contains the following design elements:

(a) The phrase "We Do!";
(b) A map of the state of California with the word "SoCal", and a star indicating the location of Los Angeles on the map;
(c) The phrase "Home of the 8 Time National Champs";
(d) Eight graphic images of trophies with a football on top of each trophy; and
(e) Below each trophy is a date representing each of the years in which USC was the National College Football Champion.

The "Got Seven?" and "Got Eight?" t-shirt designs are a parody of the "got milk" advertising campaign. Smack has manufactured virtually identical t-shirt

designs for dozens of other schools, including OU and LSU, without objection. Smack began to manufacture and sell a "Got Seven?" t-shirt for OU in 2001, and CLC has never objected to that shirt.

Dr. Thomas O'Connor, an expert on marketing research from the University of New Orleans, citing scientific literature and his own investigation regarding the reasons why individuals wear apparel which incorporate team colors, expressed the following opinions:

(1) Color allows the person wearing a t-shirt to convey a message, and to demonstrate support for the school;

(2) Use of color allows persons to demonstrate loyalty, to band together, and to "bask in the reflective glory" of school success;

(3) The use of color for tribal, expressive, or associative purposes has ancient origins dating back several centuries; and

(4) Use of color identifies the speaker, and gives context to a speaker's expressive message.

To illustrate how businesses in the universities' respective communities use team colors combined with references to the universities as a marketing device, and demonstrate why there was no likelihood that consumers would think that Smack's t-shirts were endorsed or approved by the universities, Smack introduced photographs reflecting the widespread use of team colors on commercial signs, vehicles, and buildings as the dominant color theme, often

accompanied by words or images which make reference to the university. These photographs depict:

(a) businesses in Norman with names such as "Sooner Income Tax", "Sooner Driving School", "Sooner Pain Management", "Sooner Theater", "Sooner Trophies", "University Muffler", "Big R Furniture", "Boomer Book Company", "College Cleaners", "Crimson Creamery", "OU Motel", and "Sooner Copy Center" which also display OU's team colors (crimson and cream) on buildings and signs;

(b) businesses in Columbus with names such as "Varsity Club", "Buckeye Donuts", "Go Bucks Express", and "Campus Car Co.", which display OSU's team colors (scarlet and gray) on buildings and signs, and

(c) businesses in Baton Rouge with names such as "Tiger Plaza", "Campus Car Care", and "TigerLand Market" which display LSU's team colors (purple and gold) on their signs and buildings.

District Court Proceedings

Plaintiffs filed their Complaint in this action on June 7, 2004. Both sides moved for summary judgment in early 2005. On July 18, 2006, the District Court entered its Order granting plaintiffs' Motion for Summary Judgment, and denying Smack's Motion for Summary Judgment, finding that the six t-shirts at issue infringed the plaintiffs' trademarks.

The District Court found that there was no genuine issue of material fact that the university trademarks had acquired secondary meaning, since it was

undisputed that the universities had used their respective colors for a lengthy period of time, had marketed scores of items incorporating the school colors which generated substantial revenue, and sometimes referred to themselves by reference to the school colors, i.e. LSU sometimes refers to itself as the "purple and gold". The District Court also found that Smack's concession that it used school colors on its shirts as a means of referring to the universities was evidence that the colors had acquired secondary meaning.

The District Court also found that there was no genuine issue of material fact that Smack's use of school colors on its t-shirts was likely to cause confusion among consumers regarding the source, affiliation, or sponsorship of Smack's t-shirts. Applying the Fifth Circuit's "digits of confusion" test, the District Court found that the university marks were strong, despite the fact that businesses in the cities where the respective universities were located used school colors combined with references to the universities to market their businesses. The District Court also found that the university marks were "virtually identical" to the marks incorporated on Smack's t-shirts, due in part to the fact that Smack's t-shirts left no doubt that they referred to the universities. The District Court found that the parties' respective products were very similar, even though Smack's t-shirts did not incorporate the university's registered trademarks (as did licensed products), and despite the fact that Smack's t-shirts include irreverent phrases or slang comments in addition to the school colors. The District Court found that while Smack denied that it intended to confuse consumers, it admitted that it used the university marks with the

intent of identifying the universities as the subject of the message expressed on the t-shirts, and that this weighed in favor of a likelihood of confusion because Smack used the university marks in its t-shirts "with 'an intent' to 'rely upon the drawing power' in enticing fans of the particular universities to purchase their shirts." There was no direct evidence of actual confusion; in fact, the universities entered into a stipulation that there was no evidence that any consumer had ever purchased one of Smack's t-shirts under the mistaken belief that it had been endorsed, sponsored, or approved by the universities.

Citing *Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg, Inc.*, 510 F.2d 1004 (5th Cir. 1975) (hereinafter *Boston Professional Hockey*), the District Court rejected Smack's contention that the university marks were functional. The District Court found that consumers purchased shirts which incorporated the universities' color schemes combined with references to the universities "in order to show support for the particular university" and that there was "no consumer demand without these identifying characteristics." 438 F. Supp. 2d at 662.

Even though the universities described their trademark as "color schemes in the context of merchandise *that makes reference* to the Plaintiff Universities or their accomplishments and is directed to their fans and other interested consumers," and the District Court stated that Smack had "selected the color schemes, logos, and designs for their shirts *in order to refer to the universities* and call them to the mind of the consumer," 438 F. Supp. at 657-58 (emphasis added), the District Court rejected Smack's nominative fair use defense. The District Court

reasoned that a use could not be considered a nominative fair use if it resulted in a likelihood of confusion, and the District Court had already determined that Smack's use of the university marks on its t-shirts resulted in a likelihood of confusion.

A jury trial was conducted on November 27 & 28, 2006, and the jury awarded plaintiffs $10,507.80 as actual damages, and the additional sum of $35,686 as profits from the sale of the six t-shirts. The District Court declined the universities' request to award enhanced damages. The District Court permanently enjoined Smack from manufacturing only the six t-shirts at issue, and any shirts similar to those six t-shirts.

The District Court entered its judgment on February 12, 2007. On February 23, 2007, plaintiffs filed a motion to reconsider, asking that the court amend the judgment to include prejudgment interest. On April 16, 2007, the court granted the motion to reconsider, and amended the judgment of February 12, 2007 to include prejudgment interest in the aggregate sum of $1,187.31.

Appellate Proceedings

On May 15, 2007, Smack filed its notice of appeal to the United States Court of Appeal for the Fifth Circuit. On November 25, 2008, the Fifth Circuit affirmed the District Court's summary judgment for the universities in all respects.

On appeal, Smack argued that the university marks (team colors combined with indicia referring to the universities) were not trademarks because they

described the products which were produced by the university licensees, and did not serve to distinguish or identify the universities as the secondary source of those products. The Fifth Circuit rejected this argument, stating "we see no reason to exclude color plus other identifying indicia from the realm of protectable marks provided the remaining requirements for protection are met." 550 F.3d at 476. While Smack did not contest the universities' contention that their school colors had been used to identify the universities for more than a century, Smack contended that the use of colors as a means of identifying the universities and distinguishing them from other institutions was not a trademark use unless the colors were used as a means of identifying the universities as a unique source of goods. The Fifth Circuit disagreed, stating as follows:

> Given the longstanding use of the color scheme marks and their prominent display on merchandise, in addition to the well-known nature of the colors as shorthand for the schools themselves and Smack's intentional use of the colors and other references, there is no genuine issue of fact that when viewed in the context of t-shirts or other apparel, the marks at issue here have acquired the secondary meaning of identifying the Universities in the minds of consumers as the source or sponsor of the products rather than identifying the products themselves.
>
> We think this conclusion is consistent with the importance generally placed on sports team logos and colors by the public. We have previously noted, although not in the context of

> secondary meaning, that team emblems and symbols are sold because they serve to identify particular teams, organizations, or entities with which people wish to identify. *See Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, [510 F.2d 1004, 1011 (5th Cir.1975)] We think this desire by consumers to associate with a particular university supports the conclusion that team colors and logos are, in the minds of the fans and other consumers, source indicators of team-related apparel. By associating the color and other indicia with the university, the fans perceive the university as the source or sponsor of the goods because they want to associate with that source.

550 F.3d at 477-78.

While acknowledging evidence that third party businesses near the university campuses also used university school colors and other indicia to attract consumers to their businesses, the Fifth Circuit found that this third party use was not "extensive" enough to create a genuine issue of material fact regarding confusion.

The Fifth Circuit also affirmed the District Court's finding that no issue of genuine material fact existed with regard to whether Smack's t-shirts were likely to result in consumer confusion. While the Fifth Circuit mentioned the "Sweet as Sugar" t-shirt as an example of a Smack t-shirt that was "strikingly similar" to a t-shirt licensed by LSU, the only features of the Smack t-shirt that the Fifth Circuit also found in the t-shirt licensed by LSU was the use of the colors purple and

gold, and reference to the national championship won by LSU in 2004:

> For example, one of Smack's shirt designs in purple and gold is referred to as the "sundial" shirt and was targeted toward LSU fans. The front of the shirt proclaims "2003 National Champions," and the back contains the scores from twelve games won by LSU. The scores are arranged in a circle with a short phrase poking fun at each opponent. The shirt also contains the final score of the 2004 Sugar Bowl, which LSU won, and the phrase "Sweet as Sugar!" Although the shirt does not use the initials "LSU" anywhere, its identification of LSU as the national champion is unmistakable from the colors and from the references to the games in which LSU played. This shirt is strikingly similar to LSU's own merchandise that also uses the purple and gold colors and proclaims LSU as the national champion.

550 F.3d at 480. Another t-shirt which the Fifth Circuit found to be similar to a licensed product was the "Bourbon Street or Bust" t-shirt which Smack manufactured for OU fans. *Id.* As noted above, OU's Director of Brand Development testified that OU would never grant a license for the "Bourbon Street or Bust" t-shirt because it displayed a martini glass and the phrase "Show Us Your Beads," which were considered to be suggestive of alcoholic consumption and nudity/sexual innuendo, respectively. Notwithstanding the presence of factors which would allow consumers to distinguish the Smack t-shirts from licensed products, the Fifth Circuit concluded that "[t]he similarities in design elements are

overwhelming and weigh heavily in favor of a likelihood of confusion."

The Fifth Circuit, like the District Court, found that Smack's admission that it intentionally used the university colors and indicia "to make people think of the particular school that each shirt targeted" weighed in favor of a likelihood of confusion:

> Smack did not hope to sell its t-shirts because of some competitive difference in quality or design compared with the Universities' licensed products, but rather it intended to take advantage of the popularity of the Universities' football programs and the appearance of the school teams in the college bowl games.

550 F.3d at 482. In concluding that the District Court properly found that there was no substantial dispute of genuine fact regarding the likelihood of confusion, the Fifth Circuit stated:

> As noted above, the digits of confusion-particularly the overwhelming similarity of the marks and the defendant's intent to profit from the Universities' reputation-compel this conclusion. This is so, we have noted, because Smack's use of the Universities' colors and indicia is designed to create the illusion of affiliation with the Universities and essentially obtain a "free ride" by profiting from confusion among the fans of the Universities' football teams who desire to show support for and affiliation with those teams. This creation of a link in the consumer's mind between the t-shirts and the Universities and the intent to

> directly profit therefrom results in "an unmistakable aura of deception" and likelihood of confusion.

550 F.3d at 483-84.

The Fifth Circuit attempted to distinguish this case from *Supreme Assembly, Order of Rainbow for Girls v. J.H. Ray Jewelry Company,* 676 F.2d 1079 (5th Cir.1982) (hereinafter *Rainbow for Girls*), in which a fraternal organization and its official jeweler sued a retailer for trademark infringement based on the retailer's sale of jewelry bearing the organization's registered mark. In *Rainbow for Girls*, the Fifth Circuit affirmed the district court's finding of no likelihood of confusion, concluding that "[t]he fact that purchasers purchased Rainbow jewelry as a direct result of the presence of the Rainbow emblem did not compel the conclusion that they did so believing that the jewelry was in any way endorsed, sponsored, approved or otherwise associated with Rainbow." 676 F.2d at 1084. The Fifth Circuit concluded that the instant case was distinguishable because of district court findings in *Rainbow for Girls* that "there was no historic custom or practice specific to Rainbow jewelry or to the fraternal jewelry industry that Rainbow jewelry could be manufactured only with Rainbow's sponsorship or approval."

After distinguishing this case from *Rainbow for Girls,* the Fifth Circuit noted that this case was more analogous to *Boston Professional Hockey*, in which the Fifth Circuit "held that the likelihood of confusion requirement was met because the defendant duplicated and sold the emblems 'knowing that the public would identify them as being the teams'

trademarks' and because the public's 'certain knowledge ... that the source and origin of the trademark symbols were in plaintiffs satisfies the requirements of the act.'" 550 F.3d at 485 (*quoting Boston Professional Hockey,* 510 F.2d at 1012. The Fifth Circuit noted that the *Rainbow for Girls* court recognized that sports emblems were significantly different than emblems of fraternal organizations in terms of how they are perceived by consumers:

> In *Rainbow for Girls,* the district court opinion, which we upheld, also recognized in reference to *Boston Hockey* that "(i)t is not unreasonable to conclude, given the degree to which sports emblems are used to advertise teams and endorse products, that a consumer seeing the emblem or name of a team on or associated with a good or service would assume some sort of sponsorship or association between the product's seller and the team."

Id.

The Fifth Circuit concluded that the difference in public perception between sports emblems and fraternal symbols required that the outcome of this case be governed by *Boston Professional Hockey* rather than *Rainbow for Girls*:

> We agree with this reasoning as applied to this case, which is more like *Boston Hockey* than *Rainbow for Girls.* We hold that given the record in this case and the digits of confusion analysis discussed above-including the overwhelming similarity between the defendant's t-shirts and the Universities'

> licensed products, and the defendant's admitted intent to create an association with the plaintiffs and to influence consumers in calling the plaintiffs to mind-that the inescapable conclusion is that many consumers would likely be confused and believe that Smack's t-shirts were sponsored or endorsed by the Universities. The Universities exercise stringent control over the use of their marks on apparel through their licensing program. It is also undisputed that the Universities annually sell millions of dollars worth of licensed apparel. We further recognize the public's indisputable desire to associate with college sports teams by wearing team-related apparel. We are not persuaded that simply because some consumers might not care whether Smack's shirts are officially licensed the likelihood of confusion is negated. Whether or not a consumer *cares* about official sponsorship is a different question from whether that consumer would likely *believe* the product is officially sponsored. For the foregoing reasons, we conclude that a likelihood of confusion connecting the presence of the Universities' marks and the Universities' themselves was demonstrated in this case.

Smack also urged the Fifth Circuit to reverse the District Court's conclusion that the university marks were not functional, to no avail. As it had done in *Boston Professional Hockey*, the Fifth Circuit found that the marks in question "had no demonstrated value other than their significance as the trademarks of the team," and were therefore nonfunctional. Applying the "traditional" test of functionality, e.g. "whether the feature is essential to the use or purpose

of the product or whether it affects the cost or quality of the product,"[1] the Fifth Circuit found that "[t]he school colors and other indicia used here do not make the t-shirts 'work.' The t-shirts would function just as well as articles of clothing without the colors and designs." 550 F.3d at 486. Applying the "secondary" test of functionality, e.g. "one the exclusive use of which would put competitors at a significant non-reputation-related disadvantage,"[2] the Fifth Circuit found that:

> Smack contends that it will be placed at a significant non-reputation-related disadvantage if it "is unable to satisfy consumer demand for game day clothing that allows fans to conform to the crowd, or satisfy consumer demand for game day clothing that matches other items of clothing worn by the consumer." Smack has admitted that the colors and indicia on its shirts are designed to call the Universities to the mind of the fans, and it acknowledges in its brief that fans purchase t-shirts to wear to football games to show the colors of the team that the consumer is supporting. . . . Smack's alleged competitive disadvantage in the ability to sell game day apparel relates solely to an inability to take advantage of the Universities' reputation and the public's desired association with the Universities that its shirts create. This

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[1] *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32-33, 121 S.Ct. 1255, 1261-62, 149 L.Ed.2d 164 (2001) (hereinafter *TrafFix*).

[2] *Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH*, 289 F.3d 351, 356 (5th Cir. 2002)

> is not an advantage to which it is entitled under the rubric of legitimate competition.

550 F.3d at 488.

The Fifth Circuit also rejected Smack's contention that its use of the university marks was a nominative fair use of those marks. One of the issues which Smack raised on appeal was that the Fifth Circuit does not consider nominative fair use to be an affirmative defense, but rather, a factor which the court is required to consider in conjunction with its likelihood of confusion analysis. However, the District Court in this case first concluded that Smack's t-shirts created a likelihood of confusion, and then found that Smack's use of the university marks could not be considered a nominative fair use because the District Court had already concluded that Smack's use of the university marks created a likelihood of confusion. Smack contended that the District Court failed to consider the nominative fair use doctrine as part of the likelihood of confusion analysis, and that this failure constituted reversible error.

While acknowledging that the nominative fair use analysis should "ordinarily" be considered in conjunction with the likelihood of confusion analysis in order to avoid lowering the standard for confusion, the Fifth Circuit stated that it had not required any particular method for consideration in cases "where the nominative use is not a significant factor in the liability determination," and concluded that this was "such a case."

As an illustration of Smack's use of the university marks in a way that improperly suggested affiliation,

sponsorship, or endorsement, the Fifth Circuit noted that the "Got Seven?" and "Got Eight?" shirts also contained the phrase "We Do!" and concluded that the use of this phrase implied that the university had endorsed or approved the t-shirt, since Smack had not won any national championships in football.[3] Relying on the district court's finding that "Smack copied the mark with 'an intent to rely upon the drawing power in enticing fans of the particular universities to purchase their shirts [and that s]uch an attempt to capitalize on consumer confusion is not a nominative fair use," the Fifth Circuit concluded that the district court correctly granted summary judgment to the Universities on the nominative fair use issue. 585 F.3d at 489.

Petition for Rehearing

Smack sought en banc review of the panel opinion on the grounds that it conflicted with other Fifth Circuit decisions and consideration by the full court was therefore necessary to secure and maintain uniformity of the court's decisions. Smack contended that *Boston Professional Hockey* and *Rainbow for Girls*

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[3] It should be noted that the Fifth Circuit's reliance on the phrase "We Do!" in the "Got Seven!" and "Got Eight!" t-shirts as justification for its conclusion that Smack had used the university marks in a way that suggested sponsorship or endorsement was never raised by the plaintiffs, either in the trial court or on appeal, was never mentioned by the District Court, was not raised by the panel as an issue during oral argument, and appears for the first time in the Fifth Circuit opinion. Had the issue been raised, Smack would have noted that the term "we" is not used in the first person singular tense to refer to the university, but is used in the first person plural sense, to refer to the fan wearing the shirt and other fans who might encounter the t-shirt in public.

were conflicting, and that the en banc panel should grant Smack's Petition for Rehearing and overrule *Boston Professional Hockey*.

Smack also asserted that the panel opinion had cited *Beef/Eater Rests., Inc. v. James Burrough Ltd.* 398 F.2d 637, 639 (5th Cir. 1968), for the proposition that "[T]he trial judge, by inspection of the trademarks, may himself determine, and must determine, the likelihood of confusion," and that *Beef/Eater* had clearly been superseded in this respect by more recent Fifth Circuit opinions such as *Society of Financial Examiners v. National Ass'n of Certified Fraud Examiners Inc.*, 41 F.3d 223, 226 (5th Cir. 1995), reversing a district court for holding that the "fact-intensive" likelihood of confusion inquiry could be conducted without a trial. 41 F.3d at 224- 25.

On December 23, 2008, the Fifth Circuit denied Smack's Petition for Rehearing.

REASONS FOR GRANTING THE WRIT

A. The decision of the Fifth Circuit Court of Appeals conflicts with the decisions of other United States Courts of Appeals on the question of whether the Lanham Act's "likelihood of confusion" requirement is satisfied by a showing that the public identifies the marks in question as the plaintiffs' marks.

In affirming the district court's summary judgment in favor of the universities, the Fifth Circuit applied and reaffirmed its holding in *Boston Professional Hockey*, in which the Fifth Circuit held that the

Lanham Act's "likelihood of confusion" requirement was satisfied by a showing that customers recognized the defendant's patches as bearing the logos of the sports teams. The holding of *Boston Professional Hockey* has been rejected by the United States Court of Appeal for the Ninth Circuit in *International Order of Job's Daughters v. Lindeburg and Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (hereinafter *Job's Daughters*), in which the Ninth Circuit rejected Lanham Act claims asserted by a fraternal organization against the manufacturer of jewelry bearing the fraternal organization's insignia, finding that the name and emblem were "functional aesthetic components of the jewelry, in that they are being merchandised on the basis of their intrinsic value, not as a designation of origin or sponsorship." In *Job's Daughters*, the Ninth Circuit stated:

> We reject the reasoning of *Boston Hockey*. Interpreted expansively, *Boston Hockey* holds that a trademark's owner has a complete monopoly over its use, including its functional use, in commercial merchandising. [The Lanham Act's] scope is much narrower: to protect consumers against deceptive designations of the origin of goods and, conversely, to enable producers to differentiate their products from those of others.... The *Boston Hockey* decision transmogrifies this narrow protection into a broad monopoly.

Id. at 918. The Tenth Circuit has also refused to follow *Boston Professional Hockey*. *U.S. v. Giles*, 213 F.3d 1247, 1250-51 (10th Cir. 2000), ("[T]he [*Boston Hockey*] court relied upon a novel and overly broad conception of the rights that a trademark entails. ...

[T]he court essentially gave the plaintiffs a monopoly over use of the trademark in commercial merchandising. ... For these reasons we decline to follow *Boston Professional* here.").[4]

The Eleventh Circuit, on the other hand, has followed the reasoning of *Boston Professional Hockey*. In *University of Georgia Athletic Association v. Laite*, 756 F.2d 1535 (11th Cir. 1985), the Eleventh Circuit cited *Boston Professional Hockey* in affirming a permanent injunction against a novelty beer wholesaler who manufactured a beer called "Battlin' Bulldog Beer" which was alleged to infringe on the portrayal of an English Bulldog which the University of Georgia had chosen for its mascot:

> In [*Boston Professional Hockey*], this court's predecessor held that "confusion" need not relate to the origin of the challenged product. Rather, "confusion" may relate to the public's knowledge that the trademark, which is "the

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[4] District courts in the Second, Third, and Fourth Circuits have rejected the holding of *Boston Professional Hockey*. *See Bi-Rite Enters., Inc. v. Button Master*, 555 F. Supp. 1188, 1193-95 (S.D.N.Y. 1983); *Univ. of Pittsburgh v. Champion Prods., Inc.*, 566 F. Supp. 711, 219 U.S.P.Q. 834 (W.D. Pa. Jun 23, 1983) (NO. CIV. 81-2167) (We do not think that *Boston Hockey* is good law. Instead, we are in full accord with the analysis provided in [*Job's Daughters*]); *Bd. of Governors of Univ. of North Carolina v. Helpingstine*, 714 F. Supp. 167, 172-73 (M.D.N.C. 1989). However, a district court in the Seventh Circuit found *Boston Professional Hockey* to be persuasive authority. *Alpha Tau Omega Fraternity, Inc. v. Pure Country, Inc.*, 2004 WL 3391781, *8-10 (S.D. Ind. 2004) (predicting the Seventh Circuit would adopt the reasoning of *Boston Professional Hockey*).

> triggering mechanism" for the sale of the product, originates with the plaintiff.

Id. at 1546.

Professor McCarthy has referred to *Boston Professional Hockey* as a "radical break with traditional trademark law." 4 McCarthy on Trademarks, § 24:10 (4th ed.). Other commentators have criticized the decision, and have suggested that a grant of certiorari from this Court is necessary to resolve the uncertainty that the decision has created in Lanham Act jurisprudence. *See* C. Knox Withers, *Sine Qua Non: Trademark Infringement, Likelihood of Confusion, and the Business of Collegiate Licensing*, 11 J. Intell. Prop. L. 421, 455 (Spring 2004) ("The 'Boston Hockey' cases present a number of questions to which the 'Job's Daughters' decisions suggest answers. No matter how persuasive one might find the reasoning of the Job's Daughters, Bi-Rite, University of Pittsburgh, and University of North Carolina courts, an incongruity between the two lines of cases still exists. A grant of certiorari from the United States Supreme Court in a future case would perhaps be the best solution to this split of authority. . . . By answering these questions, the Supreme Court could make great strides in resolving the inconsistencies between the 'Boston Hockey' and 'Job's Daughters' cases"); John J. Voortman, *Trademark Licensing of Names, Insignia, Characters and Designs: The Current Status of the Boston Pro Hockey Per Se Infringement Rule*, 22 J. Marshall L. Rev. 567, 571 (Spring 1989) ("Indeed, the question of whether persons or firms should have the exclusive right to exploit their own names, emblems, and the fictional characters they have created is probably dependent in part on intuitive beliefs which

are not susceptible to logical argument. It is clear, however, that a Supreme Court decision or legislation to resolve this issue one way or the other is needed. Not only is there a conflict between the circuits, but even within the circuits, the law has become highly unpredictable."). Tschura, G., *Likelihood of Confusion and Expressive Functionality: A Fresh Look at the Ornamental Use of Institutional Colors, Names and Emblems on Apparel and Other Goods*. 53 WAYNE L. REV. 873, 897 (2007) ("Perhaps it is high time these merchandising theories were considered by the Supreme Court. In this author's view and in light of a more recent opinion of the Court which refused to expand the scope of trademark protection beyond simply the avoidance of consumer confusion, the Court should likewise conclude that the difference between expressing allegiance and any assumption or belief as to endorsement or sponsorship is an easy distinction for the consumer to make."). *The Dilution Of Culture And The Law Of Trademarks*, 49 IDEA 1, 31 (2008) ("Although [*Boston Professional Hockey*] was harshly criticized in other decisions and in the legal literature, courts have increasingly accepted its logic. The question has yet to be decided by the Supreme Court, but the logic underlying the court's decision has recently come to dominate legal practice.").

The issues raised in this case are likely to appear with increasing frequency as other colleges and universities, armed with the Fifth Circuit's decision in this case, begin to challenge the use of their school colors by parties who have used those colors without complaint for decades. The University of Alabama, one of the *amici* in the Fifth Circuit, has asserted Lanham Act claims against Daniel Moore, who has been painting and selling artistic works depicting the

University of Alabama school colors for twenty six years without a license or any objection from the university. The university claims that Moore's paintings violate the University's trademark rights. *See* "Sports Artist Sued for Mixture of Crimson and Tide" New York Times, November 12, 2006, *available at* www.nytimes.com/2006/11/12/us/12artist.html. The case is still pending.

Given the huge mismatch in resources between major universities and the small businesses who are typical defendants in this type of litigation, many such businesses choose to settle out of court rather than devote the resources to defending litigation of this type. As a consequence, it is unlikely that this Court will soon have another opportunity to review a decision raising the issues that this case presents.

B. The Fifth Circuit Court of Appeals has decided an important question of federal law that has not been, but should be, settled by this Court.

"[T] the use of collegiate marks by local businesses as part of their trade names is an old and venerable tradition." *Bd. of Trs. of Univ. of Arkansas v. Profl Therapy Servs., Inc.*, 873 F. Supp. 1280, 1289 (W.D. Ark. 1995). Prior to the mid-1970's, unauthorized use of collegiate trademarks in the United States was principally by local merchants who used the marks as an indication of support. *Id.* at 1283-84. During this same period of time, manufacturers produced soft goods, e.g. t-shirts, sweatshirts, and other apparel, which featured collegiate trademarks without a license or payment of a royalty to the universities. *See, Univ. of Pittsburgh v. Champion Prods., Inc.*, 529 F. Supp.

464, 466-68 (W.D. Pa. 1982). Increased television coverage of college athletics led to an enormous boom in the production and sale of goods bearing collegiate marks. By the early and mid-1980's, many colleges and universities began licensing programs to insure control over goods and services bearing collegiate marks. *Bd. of Trs. of Univ. of Arkansas* at 1283-84.

Over the past two decades, the collegiate licensing industry has experienced exponential revenue growth, today topping $3 billion in annual merchandise sales. In fact, as reported in 2006, retail sales of collegiate licensed merchandise in the United States and Canada trailed only that of the National Football League and Major League Baseball among the major sport organizations. J. Grady and S. McKelvey, *Trademark Protection of School Colors: Smack Apparel and Sinks Decisions Trigger Color-Ful Legal Debate for the Collegiate Licensing Industry*, 18 J. Legal Aspects Sport 207 (2008).

This case involves issues of first impression regarding the extent to which traditional school colors of colleges and universities are protected as trademarks. The importance of these issues is reflected by the fact that amicus briefs supporting the plaintiff universities were filed in the Fifth Circuit by four professional sports organizations[5] and twenty eight universities[6].

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[5] Major League Baseball Properties, Inc., NBA Properties, Inc., NFL Properties LLC, and NHL Enterprises, L.P.

[6] Board of Trustees of the University of Alabama, Board of Trustees of the University of Arkansas, acting for and on behalf of the University of Arkansas, Fayetteville, Auburn University,

C. The Fifth Circuit has decided an important federal question in a way that conflicts with relevant decisions of this Court.

As noted above, this case raises an important issue as to which the Fifth Circuit's position (in *Boston Professional Hockey)* is at odds with the position taken by the Ninth Circuit (in *Job's Daughters*), i.e., whether infringement requires a real likelihood of confusion as to product source or whether it is enough to show that the public recognizes the trademark as emanating from the complaining party. While this Court has yet to squarely address this issue, relevant recent decisions of this Court suggest that the Court would adopt the position taken by the Ninth Circuit.

First, in *Moseley v. V Secret Catalogue*, 537 U.S. 418, 123 S.Ct. 1115, 155 L.Ed.2d 1, (2003), this Court rejected the idea that mere mental association between the plaintiff's trademark and the defendant's product

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Baylor University, Boise State University, University of Connecticut, Duke University, Florida Board of Regents (for Florida State University), The University of Florida Board of Trustees, University of Georgia Athletic Association, Inc., Board of Trustees of the University of Illinois, acting for and on behalf of the University of Illinois, Urbana-Champaign, University of Kentucky, Regents of the University of Michigan, Regents of the University of Minnesota, University of Mississippi, Curators of the University of Missouri on behalf of the University of Missouri-Columbia, Board of Governors of the University of North Carolina, University of North Texas, University of Notre Dame du Lac, Oklahoma State University, The Pennsylvania State University, Purdue University, University of South Carolina, The University of Texas at Austin, Texas A&M University, Texas Tech University, Tulane University, Board of Regents of the University of Wisconsin System.

could suffice to prove dilution of that trademark. Considering that mental association is not enough to satisfy the dilution standard, it certainly would not be enough to show likelihood of confusion.

Second, the Court's decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 123 S.Ct. 2041, 156 L.Ed.2d 18 (2003) directly refutes the idea that infringement can occur without confusion as to the source or sponsorship of the goods and discredits the notion that any other form of mental association counts in evaluating infringement. *Dastar* involved a "reverse passing-off" claim based on the sale of videotapes containing a movie created by the plaintiff but sold under the defendant's name. The plaintiff contended that the defendant deceived the public into thinking that it, rather than plaintiff, had made the movie, and that the sale of the movie under defendant's name constituted a false designation of origin under the Lanham Act. This Court rejected that theory, reasoning that "origin . . . of goods" under the Lanham Act refers to the origin of the physical product sold in the marketplace, rather than to any ideas or communications included inside:

> While most merchandising claims involve allegations of confusion as to product sponsorship, rather than origin, the *Dastar* reasoning has no less force in the sponsorship context. To succeed in a sponsorship claim after *Dastar*, a trademark holder must establish that defendant's use of its mark will confuse consumers into believing it sponsored the goods sold by defendant. In merchandising cases, this means that the trademark holder must establish that consumers are likely to believe

> that it makes or stands behind the t-shirt, cap, or other merchandise at issue in the case. The *Boston Hockey* notion that infringement can turn on confusion as to source of the mark--i.e., of "the ideas or communications" embodied in the product--runs directly counter to this ruling.

Dogan, S.L., & Lemley, M.A.. *The Merchandising Right: Fragile Theory or Fait Accompli?* 54 Emory Law Journal 461, 500 (2005).

Third, as noted above, the Fifth Circuit's opinion in this case reaffirms the Fifth Circuit's rejection of the aesthetic functionality doctrine, and is at odds with this Court's decision in *TrafFix,* in which this Court recognized the doctrine of aesthetic functionality, stating that "[i]t is proper to inquire into a 'significant non-reputation-related disadvantage' in cases of esthetic functionality, the question involved in *Qualitex [Co. v. Jacobson Prods. Co.,* 514 U.S. 159, 165, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995)]." *Id.* at 1262. The Fifth Circuit has previously rejected aesthetic functionality,[7] and the panel opinion in this case reaffirmed that position:

> Smack relies on this pronouncement in *TrafFix* for the proposition that the Supreme Court has recognized the aesthetic functionality doctrine. We note that the *TrafFix* Court's characterization of the issue in *Qualitex* has

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[7] *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 428-29 (5th Cir. 1984); *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423, 426, n.3 (5th Cir. 1986); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 540, n.6 (5th Cir. 1998).

> been harshly criticized by commentators. Nevertheless, neither *Qualitex* nor *TrafFix* addressed aesthetic functionality as the dispositive issue, let alone the purported aesthetic functionality of a color-scheme that acts to identify and create a desired association with the particular source. We do not believe that the Court's dictum in *TrafFix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality.

550 F.3d at 487-88. The Fifth Circuit's rejection of aesthetic functionality effectively creates a monopoly for the universities in the manufacture of game day apparel, and prevents all but licensed vendors from competing in this market.[8] If the universities are permitted to obtain trademark protection for their school colors in combination with indicia referring to the universities, regardless of whether consumer confusion can be shown, all competition in the game day apparel industry will be eliminated – the "ultimate non-reputation related disadvantage."[9]

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[8] Contrary to the Fifth Circuit's suggestion that the product market involved in this case is t-shirts, the product market is game day apparel designed for sports fans. *See* 3 Louis Altman, *Callmann on Unfair Competition, Trademarks and Monopolies* § 19:7, at 79 (4th ed. 2003) (stating that "functionality ... is not to be determined within the broad compass of different but interchangeable products; the doctrine of functionality is intended to preserve competition within the narrow bounds of each *individual* product market").

[9] "Likewise, the color, shape, and size of dippin' dots are 'aesthetic functions' that easily satisfy the competitive necessity test because precluding competitors like FBD from copying any of these aspects of dippin' dots would eliminate all competitors in the

CONCLUSION

For the better part of the twentieth century, colleges and universities permitted (and even encouraged) businesses to use college colors and references to the universities as a means of promoting consumer patronage. Universities derived a benefit from third party use of college colors because it served to promote loyalty to the alma mater.

Collegiate merchandising has seen tremendous growth over the last few decades. In an attempt to protect a valuable source of revenue in a time when public revenue is being cut back, and the value of endowments has dropped, universities have become aggressive in their attempts to eliminate any competition in the market for game day apparel and similar products. As this case illustrates, the legal principles which have developed over the years in regard to purely commercial enterprises don't provide a satisfying rule of decision in cases such as this. The colors which identify colleges and universities do not function in the same manner as a commercial trademark. Students, alumni, and fans of all types have historically displayed school colors as a way of identifying themselves as supporters of the university, and to distinguish themselves from the tribe which invades their campus on Saturday afternoon. These fans use clothing in an expressive manner, and not as a trademark.

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flash-frozen ice cream market, which would be the ultimate non-reputation-related disadvantage." *Dippin' Dots, Inc. v. Frosty Bites Distrib., LLC*, 369 F.3d 1197, 1204, n.7 (11th Cir. 2004).

The law which governs the use of school colors as a trademark has never been addressed by this Court, but is very likely to recur in future litigation. Decisions in cases such as this one will also impact the development of the law governing the use of colors as a trademark in other commercial contexts. It is therefore important that this Court address and resolve the issues presented in this case to clarify how trademark law applies to "affiliation products" such as the t-shirts involved in this case.

Smack respectfully request that the Court grant a writ of certiorari to review the decision of the Fifth Circuit, and that the judgment against Smack be reversed or remanded for further proceedings consistent with this Court's decision.

Respectfully submitted,

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APPENDIX

APPENDIX A

IN THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 07-30580

[Filed November 25, 2008]
REVISED DECEMBER 15, 2008

BOARD OF SUPERVISORS FOR LOUISIANA STATE UNIVERSITY AGRICULTURAL AND MECHANICAL COLLEGE; BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA; OHIO STATE UNIVERSITY; UNIVERSITY OF SOUTHERN CALIFORNIA

Plaintiffs-Appellees

v.

SMACK APPAREL CO; WAYNE CURTISS

Defendants-Appellants

Cons. w/ No. 07-30887

BOARD OF SUPERVISORS FOR LOUISIANA STATE UNIVERSITY AGRICULTURAL AND MECHANICAL COLLEGE; BOARD OF REGENTS OF THE UNIVERSITY OF

OKLAHOMA; OHIO STATE UNIVERSITY; UNIVERSITY OF SOUTHERN CALIFORNIA; COLLEGIATE LICENSING COMPANY

Plaintiffs-Appellants

v.

SMACK APPAREL CO; WAYNE CURTISS

Defendants-Appellees

Appeal from the United States District Court for the Eastern District of Louisiana

Before REAVLEY, STEWART, and OWEN, Circuit Judges.

REAVLEY, Circuit Judge:

These consolidated appeals concern a trademark dispute between four universities and an apparel company and its principal. The Universities alleged in the district court that the defendants violated the Lanham Act and infringed their trademarks by selling t-shirts with the schools' color schemes and other identifying indicia referencing the games of the schools' football teams. The district court granted summary judgment to the Universities for trademark infringement and conducted a jury trial as to damages, with the jury returning a verdict favoring the plaintiffs. The defendants appeal the summary judgment order, and the Universities appeal the district court's denial of their post-verdict motion for attorneys' fees. We conclude that the colors, content,

and context of the offending t-shirts are likely to cause confusion as to their source, sponsorship, or affiliation, and we AFFIRM.

I. Background

The plaintiffs are Louisiana State University (LSU), the University of Oklahoma (OU), Ohio State University (OSU), the University of Southern California (USC), and Collegiate Licensing Company (CLC), which is the official licensing agent for the schools.[1] The defendants are Smack Apparel Company and its principal, Wayne Curtiss (collectively Smack).

Each university has adopted a particular two-color scheme as its school colors (purple and gold for LSU, crimson and creme for OU, scarlet and gray for OSU, and cardinal and gold for USC). The Universities have used their respective color combinations for over one hundred years, and the color schemes are immediately recognizable to those who are familiar with the Universities. The schools use these color schemes in many areas associated with university life, including on campus signs and buildings, on printed brochures, journals, and magazines, and on materials sent to potential donors. The Universities also use the color schemes extensively in connection with their athletic programs, particularly on team uniforms, resulting in wide-spread recognition of the colors among college sports fans. Each university operates a successful collegiate football program, and the respective football

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[1] The Pasadena Tournament of Roses was also a plaintiff in the district court, but it was dismissed upon joint motion of the parties and is not part of the instant appeal.

teams have appeared on numerous occasions in nationally televised football games that have been viewed by millions of people.

The schools also grant licenses for retail sales of products, including t-shirts, that bear the university colors and trademarks. In recent years, the total annual sales volume of products bearing the school colors along with other identifying marks has exceeded $93 million for all the Universities combined. The Universities hold registered trademarks in their respective names and commonly used initials. They do not, however, possess registered trademarks in their color schemes.

Smack Apparel Company is located in Tampa, Florida. Since 1998 Smack has manufactured t-shirts targeted toward fans of college sports teams, and it uses school colors and printed messages associated with the Universities on its shirts. Smack sells some of the shirts over the Internet, but most are sold wholesale to retailers and t-shirt vendors. The shirts frequently appear alongside those that have been officially licensed by the Universities. The instant case involves six of Smack's t-shirt designs that concern the appearance of the OU and LSU football teams in the 2004 Sugar Bowl in New Orleans, Louisiana, and the number of national championships previously won by OSU and USC. The district court described these Smack shirt designs as follows:

> • OU (2 shirt designs): (1) "Bourbon Street or Bust" (with the "ou" in "Bourbon" in a different typestyle) (front), "Show us your beads!" (with the "ou" in "your" in a different typestyle) and "Sweet as Sugar!" (back) (2) "Beat Socal" (front),

"And Let's Make it Eight!" (back). These shirts refer to 2004 Sugar Bowl contest in New Orleans between the OU and LSU football teams. A victory in the Sugar Bowl could have given OU a claim to an eighth national football championship. One of OU's principal rivals to this claim was USC.

• LSU (2 shirt designs): (1) "Beat Oklahoma" (front), "And Bring it Back to the Bayou!" and "2003 College Football National Championship" (back) (2) "2003 College Football National Champions" (front), colored circular depiction of game scores, with "2003 College Football National Champions" and "Sweet as Sugar" (back). These shirts refer to the 2004 Sugar Bowl contest in New Orleans between OU and LSU, which was played to determine the Bowl Championship Series national football champion.

• OSU: "Got Seven?" (front), "We do! 7 Time National Champs," with depiction of the state of Ohio and a marker noting "Columbus Ohio" (back). This shirt refers to the seven college football national titles claimed by OSU.

• USC: "Got eight?" (front), "We Do! Home of the 8 Time National Champions!" and depiction of the state of California with a star marked "SoCal" (back). This design refers to USC's claim to eight college national football championships.

Bd. of Supervisors of LA State Univ. v. Smack Apparel Co.[2] In addition to the messages described above, each shirt included Smack's own logo in a space approximately 2.5 inches wide and the words "Talkin' the Talk."

The Universities sued Smack, alleging that the above six shirt designs infringed their trademark rights. The Universities alleged causes of action for federal trademark infringement and dilution, unfair competition, and deceptive trade practices under the Lanham Act, 15 U.S.C. §§ 1051–1141n; unfair trade practices under the Louisiana Unfair Trade Practices and Consumer Protection Act (LUTPA), LA. REV. STAT. § 51:1409; common law trademark infringement and unfair competition; and state trademark dilution. The plaintiffs alleged that each schools' color combination acts as a source-identifier for the respective schools, especially when used in connection with other indicia identifying or suggesting the schools. They alleged that Smack's shirts infringed their unregistered trademarks by "combining Plaintiffs' Marks with references to, *inter alia*, . . . (a) well-known and highly-publicized athletic events in which a University participated; (b) a University's opponent in the referenced athletic event; (c) the geographic area in which the referenced event takes place; (d) titles and honors bestowed as a result of the referenced athletic event; (e) a University's earlier athletic successes and accomplishments; and (f) the geographic area in which the University is located or associated."

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[2] 438 F. Supp. 2d 653, 655 (E.D. La. 2006).

The Universities claimed that Smack's products are similar to and competed with goods sold or licensed by the Universities and are sold directly alongside merchandise authorized by the plaintiffs at or near events referenced in the shirts. In this way, according to the Universities, the sale of Smack's products is likely to deceive, confuse, and mislead consumers into believing that Smack's products are produced, authorized, or associated with the plaintiff Universities. The Universities sought injunctive relief, lost profits, damages, costs, and attorneys' fees.

The parties filed cross-motions for summary judgment on the issue of liability for trademark infringement. The district court granted summary judgment for the Universities, holding that the Universities' trademarks in their color schemes, logos, and designs on shirts referring to the schools or their accomplishments had acquired secondary meaning.[3] The district court concluded that the marks were strong, having been used for decades as a reference to the Universities, and that Smack's infringing shirts were likely to cause confusion as to the source, affiliation, or sponsorship of the shirts.[4] The district court found that the marks at issue were virtually identical. The court reasoned that Smack used the same color schemes and similar logos and designs as the plaintiffs; that Smack marketed and sold its shirts in a manner similar to the Universities' products and sometimes alongside those of the Universities; and that Smack used the color schemes, logos, and designs

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[3] *Id.* at 657–58.

[4] *Id.* at 658–61.

with the specific intent to rely upon their drawing power in enticing fans of the Universities to purchase its shirts.[5] The court noted that Smack admitted using the school colors and other indicia with the intent of identifying the Universities as the subject of the message in the shirt designs.[6] The court also noted that a likelihood of confusion existed because the shirts, which are relatively inexpensive, are not purchased with a high degree of care by consumers.[7] The district court rejected Smack's defenses of functionality, nominative fair use, and laches.[8]

After deciding the liability issue, the district court conducted a jury trial on the issue of damages. Smack moved for judgment as a matter of law, arguing that there could be no actual damages because there had been no actual confusion. The district court denied the motion. The jury then returned a verdict in favor of the plaintiffs and answered special interrogatories finding that Smack's "infringement caused actual confusion of the public or caused the public to be deceived." The jury awarded the Universities actual damages of $10,506.80 and lost profits of $35,686. The district court also enjoined Smack from manufacturing, distributing, selling, or offering for sale any of the six t-shirt designs found to be infringing or any other similar designs.

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[5] *Id.*

[6] *Id.* at 661.

[7] *Id.*

[8] *Id.* at 661-63.

II. Discussion

We review a district court's grant of summary judgment de novo. *Noble Energy, Inc. v. Bituminous Cas. Co.*[9] Summary judgment is appropriate "if the pleadings, the discovery and disclosure materials on file, and any affidavits show that there is no genuine issue as to any material fact and that the movant is entitled to judgment as a matter of law."[10] "No genuine issue of material fact exists if the summary-judgment evidence is such that no reasonable juror could find in favor of the nonmovant." *Jenkins v. Methodist Hosps. of Dallas, Inc.*[11] Although the secondary meaning of a mark and the likelihood of confusion are ordinarily questions of fact, *Elvis Presley Enterprises, Inc. v. Capece*,[12] summary judgment may be upheld if the summary judgment record compels the conclusion that the movant is entitled to judgment as a matter of law. *Beef/Eater Rests., Inc. v. James Burrough Ltd.*[13]

To prevail on their trademark infringement claim, the plaintiffs must show two things. First, they must establish ownership in a legally protectible mark, and second, they must show infringement by demonstrating a likelihood of confusion. *Am. Rice, Inc.*

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[9] 529 F.3d 642, 645 (5th Cir. 2008).

[10] FED. R. CIV. P. 56(C).

[11] 478 F.3d 255, 260 (5th Cir.), *cert. denied*, 128 S. Ct. 181 (2007).

[12] 141 F.3d 188, 196 (5th Cir. 1998).

[13] 398 F.2d 637, 639 (5th Cir. 1968).

v. Producers Rice Mill, Inc.[14] Smack argues first that the district court erroneously found no genuine issue of fact whether there are legally protectible marks at issue in this case.

A. Protectible trademark and secondary meaning

The Lanham Act provides that a trademark may be "any word, name, symbol, or device, or any combination thereof" that is used or intended to be used "to identify and distinguish" a person's goods "from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown."[15] A mark need not be registered in order to obtain protection because "[o]wnership of trademarks is established by use, not by registration." *Union Nat'l Bank of Tex., Laredo v. Union Nat'l Bank of Tex., Austin*.[16] The marks at issue in this case are unregistered, and, as noted by the district court, were described by the Universities as "color schemes in the context of merchandise that makes reference to the Plaintiff Universities or their accomplishments and is

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[14] 518 F.3d 321, 329 (5th Cir. 2008); *see also Elvis Presley Enters.*, 141 F.3d at 194 (noting "the threshold requirement that the plaintiff must possess a protectible mark, which must be satisfied before infringement can be actionable").

[15] 15 U.S.C. § 1127.

[16] 909 F.2d 839, 842 (5th Cir. 1990).

directed to their fans and other interested consumers."[17]

The protectibility of unregistered marks is governed generally by the same principles that qualify a mark for registration under the Lanham Act. *Two Pesos, Inc. v. Taco Cabana, Inc.*[18] The key is whether the mark is "capable of distinguishing the applicant's goods from those of others."[19] Marks are generally classified as (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, or (5) fanciful.[20] The parties here do not articulate a classification for the marks at issue, but the briefs show that they, and indeed the district court, have treated the marks as descriptive. This type of mark is not inherently distinctive because it does not inherently identify a particular source of the product; instead, it requires secondary meaning to be protected under the Lanham Act.[21]

The parties correctly agree that a color scheme can be protected as a trademark when it has acquired secondary meaning and is non-functional. *Qualitex Co. v. Jacobson Prods. Co.*[22] Although the parties discuss color at length in their briefs, the Universities do not

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[17] *See Bd. of Supervisors*, 438 F. Supp. 2d at 657 (quotation marks and citation omitted).

[18] 505 U.S. 763, 768, 112 S.Ct. 2753, 2757 (1992).

[19] *Id.*

[20] *Id.*

[21] *Id.* at 769, 112 S. Ct. at 2757.

[22] 514 U.S. 159, 163–64, 115 S. Ct. 1300, 1303–04 (1995).

claim that every instance in which their team colors appear violates their respective trademarks. Instead, the claimed trademark is in the colors on merchandise that combines other identifying indicia referring to the Universities. It is appropriate therefore to consider not only the color but also the entire context in which the color and other indicia are presented on the t-shirts at issue here.

Smack contends that the claimed marks are too broad to encompass a trademark because the concept of color along with other identifying indicia is not distinctive. We disagree. As noted, the statute contemplates that a trademark may include any word, name, or symbol "*or any combination thereof.*"[23] The Supreme Court has recognized that the Lanham Act describes the universe of permissible marks "in the broadest of terms."[24] Because the Court recognizes that trademarks may include color, we see no reason to exclude color plus other identifying indicia from the realm of protectible marks provided the remaining requirements for protection are met. Thus, the first step here is to ask whether the Universities' claimed marks have acquired secondary meaning.

Secondary meaning "occurs when, 'in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.'" *Wal-Mart Stores, Inc. v. Samara Bros.*,

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[23] 15 U.S.C. § 1127 (emphasis added).

[24] *Qualitex*, 514 U.S. at 162, 115 S. Ct. at 1302.

Inc.[25] The inquiry is one of the public's mental association between the mark and the alleged mark holder. *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*[26] A mark has acquired secondary meaning when it "has come through use to be uniquely associated with a specific source." *Pebble Beach Co. v. Tour 18 I Ltd.*[27] We have applied a multi-factor test for determining secondary meaning. The factors include: "(1) length and manner of use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant's intent in copying the trade dress."[28] These factors in combination may show that consumers consider a mark to be an indicator of source even if each factor alone would not prove secondary meaning.[29]

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[25] 529 U.S. 205, 211, 120 S. Ct. 1339, 1343 (2000) (citation omitted).

[26] 791 F.2d 423, 427 (5th Cir. 1986) ("[T]he prime element of secondary meaning is 'a mental association in buyers' minds between the alleged mark and a single source of the product.'" (citation omitted)).

[27] 155 F.3d 526, 536 (5th Cir. 1998) (internal quotation marks omitted), *abrogation on other grounds recognized by Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH*, 289 F.3d 351, 356 (5th Cir. 2002).

[28] *Pebble Beach*, 155 F.3d at 541.

[29] *Id.*

There is no dispute in this case that for a significant period of time the Universities have been using their color schemes along with other indicia to identify and distinguish themselves from others. Smack admits in its brief that the Universities' colors are well known among fans "as a shorthand nonverbal visual means of identifying the universities." But according to Smack, the longstanding use of the school colors to adorn licensed products is not the same as public recognition that the school colors identify the Universities as a unique source of goods. We think, however, that the factors for determining secondary meaning and an examination of the context in which the school colors are used and presented in this case support the conclusion that the secondary meaning of the marks is inescapable.

The record shows that the Universities have been using their color combinations since the late 1800s.[30] The color schemes appear on all manner of materials, including brochures, media guides, and alumni materials associated with the Universities. Significantly, each university features the color schemes on merchandise, especially apparel connected with school sports teams, and such prominent display supports a finding of secondary meaning.[31] The record also shows that sales of licensed products combining the color schemes with other references to the Universities annually exceed the tens of millions of

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[30] OSU adopted its school colors in 1878, while LSUhas been using its colors since 1893, and OU and USC since 1895.

[31] *See Pebble Beach*, 155 F.3d at 541–52 (prominent display of golf hole's trade dress in advertising supported finding of secondary meaning as a designator of source).

dollars.[32] As for advertising, the district court held that the Universities "advertise items with their school colors in almost every conceivable manner . . . ."[33] It is not clear from the summary judgment evidence where and how the Universities advertise their merchandise, but they certainly do use their color schemes and indicia in numerous promotional materials aimed at students, faculty, alumni, and the public in general, which strengthens the conclusion that the color schemes and indicia viewed in context of wearing apparel also serves as an indicator of the Universities as the source or sponsor of the apparel. Furthermore, the district court correctly observed that the school color schemes have been referenced multiple times in newspapers and magazines and that the schools also frequently refer to themselves using the colors.[34] The district court did not specifically refer to any consumer-survey evidence or direct consumer testimony, but it noted that Smack admitted it had incorporated the Universities' color schemes into its shirts to refer to the Universities and call them to the mind of the consumer. Thus, Smack itself believed that the Universities' color schemes had secondary meaning that could influence consumers, which further supports the conclusion that there is secondary

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[32] For example, LSU sells between $10 and $20 million worth of goods each year, while the annual sales volume for the other schools is approximately $13 million for USC, $20 million for OU, and $50 million for OSU.

[33] *Bd. of Supervisors*, 438 F. Supp. 2d at 658.

[34] For example, LSU and third parties have referred to that university as the "Purple and Gold."

meaning here.[35] Given the longstanding use of the color scheme marks and their prominent display on merchandise, in addition to the well-known nature of the colors as shorthand for the schools themselves and Smack's intentional use of the colors and other references, there is no genuine issue of fact that when viewed in the context of t-shirts or other apparel, the marks at issue here have acquired the secondary meaning of identifying the Universities in the minds of consumers as the source or sponsor of the products rather than identifying the products themselves.

We think this conclusion is consistent with the importance generally placed on sports team logos and colors by the public. We have previously noted, although not in the context of secondary meaning, that team emblems and symbols are sold because they serve to identify particular teams, organizations, or entities with which people wish to identify. *See Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg.*,

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[35] *See also Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 663 (7th Cir. 1995). We also note that the record does contain survey evidence compiled by the Universities indicating that approximately thirty percent of consumers interviewed believed two of Smack's t-shirts were produced or sponsored by the Universities. We have indicated that survey evidence often may be the most direct and persuasive evidence of secondary meaning. *Sugar Busters LLC v. Brennan*, 177 F.3d 258, 269 (5th Cir. 1999). Nevertheless, Smack moved in limine to exclude the Universities' survey evidence, and the district court found it unnecessary to rule on the motion because of the other evidence in the record. Because no party has raised the issue, we express no opinion on the correctness of the district court's belief and merely note the presence of the survey evidence in the record.

Inc.[36] We think this desire by consumers to associate with a particular university supports the conclusion that team colors and logos are, in the minds of the fans and other consumers, source indicators of team-related apparel. By associating the color and other indicia with the university, the fans perceive the university as the source or sponsor of the goods because they want to associate with that source.

Smack argues that because photographs of businesses near the campuses of the Universities show use of school colors by those businesses, consumers in college towns merely associate school colors with "support of the home team." Smack cites no authority or supporting evidence for its contention, however. Moreover, the fact that other businesses in college towns may use the same colors as a local university does not create an issue of fact as to the secondary meaning of the colors used in merchandise that the Universities indisputably produce, especially given Smack's admission of intentional use of the colors to influence consumers.

Smack also argues that because the Universities grant licenses to many licensees, a consumer may not identify a university as the *single* source of the product. The fact that the Universities may grant licenses to many licensees to sell authorized products does not negate the fact that the schools are still the

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[36] 510 F.2d 1004, 1011 (5th Cir. 1975).

sources of the marks.[37] We conclude that the record establishes secondary meaning in the marks here.

B. Likelihood of confusion

Once a plaintiff shows ownership in a protectible trademark, he must next show that the defendant's use of the mark "creates a likelihood of confusion in the minds of potential customers as to the 'source, affiliation, or sponsorship'" of the product at issue. *Westchester Media v. PRL USA Holdings, Inc.*[38] "Likelihood of confusion is synonymous with a probability of confusion, which is more than a mere possibility of confusion."[39] When assessing the likelihood of confusion, we consider a nonexhaustive list of so-called "digits of confusion," including: "(1) the type of mark allegedly infringed, (2) the similarity between the two marks, (3) the similarity of the products or services, (4) the identity of the retail outlets and purchasers, (5) the identity of the advertising media used, (6) the defendant's intent, and (7) any evidence of actual confusion."[40] Courts also consider (8) the degree of care exercised by potential

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[37] *Cf. Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1121 (5th Cir. 1991)("An owner may license its trademark or trade dress and retain proprietary rights if the owner maintains adequate control over the quality of goods and services that the licensee sells with the mark or dress.").

[38] 214 F.3d 658, 663 (5th Cir. 2000) (citation omitted).

[39] *Id.* at 663–64.

[40] *Id.* at 664.

purchasers.[41] No single factor is dispositive, and a finding of a likelihood of confusion need not be supported by a majority of the factors.[42]

Smack argues that there were genuine issues of material fact whether its t-shirt designs were likely to cause confusion among consumers. We disagree. The first digit, the type of mark, refers to the strength of the mark.[43] Generally, the stronger the mark, the greater the likelihood that consumers will be confused by competing uses of the mark.[44] We agree with the district court that the plaintiffs' marks, which have been used for over one hundred years, are strong.[45] As noted above, Smack concedes that the Universities' color schemes are well-known and are used to identify the plaintiff Universities. It argues, however, that the district court disregarded evidence of third-party use of the Universities' team colors in a non-trademark manner, and it cites *Sun Banks of Florida, Inc. v. Sun Federal Savings and Loan Association*[46] in support of its argument.

In *Sun Banks*, we held that "extensive" third-party use can weaken a mark and negate a likelihood of

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[41] *Am. Rice*, 518 F.3d at 329.

[42] *Id.*

[43] *Elvis Presley Enters.*, 141 F.3d at 201.

[44] *Id.*

[45] *See Bd. of Supervisors*, 438 F. Supp. 2d at 659.

[46] 651 F.2d 311 (5th Cir. 1981)

confusion.[47] In that case there were "over 4400 businesses" in Florida that were using the word "Sun" in their names, and we noted that "a significant number" fell within the same category of financial institutions as the plaintiff.[48]

Smack presented photographs of three businesses in Louisiana, eight businesses in Ohio, and approximately 20 businesses in Oklahoma that incorporated in their signage color schemes similar to the school colors of LSU, OSU, and OU, respectively. The businesses included several restaurants and bars, a driving school, a pain management clinic, a theater, a furniture store, a dry cleaners, a motel, a donut shop, an apartment complex, and a car care company. All third-party use of a mark, not just use in the same industry as a plaintiff, may be relevant to whether a plaintiff's mark is strong or weak.[49] But the key is whether the third-party use diminishes in the public's mind the association of the mark with the plaintiff—surely lacking where colors are shown on a store wall. *See Univ. of Ga. Athletic Ass'n v. Laite*.[50] Smack's evidence falls far below that of extensive use, and the specific photographs of third-party use here

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[47] *Sun Banks*, 651 F.2d at 316.

[48] *Id.*

[49] *Union Nat'l Bank of Tex.*, 909 F.2d at 848 n.24; *see also* 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:88 (4th ed.) ("[E]vidence of extensive third party use on a wide range of goods and services does tend to weaken strength and narrow the scope of protection.").

[50] 756 F.2d 1535, 1545 n.27 (11th Cir. 1985).

fail to create an issue of fact concerning the public's association between the plaintiffs and color schemes and other indicia that clearly reference the Universities. We conclude that the Universities possess strong marks in their use of color schemes and other identifying indicia on college sports-themed merchandise.

The second digit is the similarity of the marks. This factor requires consideration of the marks' appearance, sound, and meaning.[51] The district court held that the marks at issue are virtually identical.[52] Smack argues that there was no evidence that any of its shirts were identical to any shirts licensed by the Universities and that its t-shirt designs are not at all similar to any of the Universities' licensed products. Smack's contention is belied by the record, and even a cursory comparison of Smack's designs with the plaintiffs' licensed products reveals striking similarity.[53]

For example, one of Smack's shirt designs in purple and gold is referred to as the "sundial" shirt and was targeted toward LSU fans. The front of the shirt proclaims "2003 National Champions," and the back contains the scores from twelve games won by LSU. The scores are arranged in a circle with a short phrase poking fun at each opponent. The shirt also contains the final score of the 2004 Sugar Bowl, which LSU

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[51] *Elvis Presley Enters.*, 141 F.3d at 201.

[52] *Bd. of Supervisors*, 438 F. Supp. 2d at 659–60.

[53] *See Beef/Eater Rests.*, 398 F.2d at 639 ("[T]he trial judge, by inspection of the trademarks, may himself determine, and must determine, the likelihood of confusion.").

won, and the phrase "Sweet as Sugar!" Although the shirt does not use the initials "LSU" anywhere, its identification of LSU as the national champion is unmistakable from the colors and from the references to the games in which LSU played. This shirt is strikingly similar to LSU's own merchandise that also uses the purple and gold colors and proclaims LSU as the national champion. Several of the official designs contain the scores of the games from LSU's season and at least two designs present those scores in a circular arrangement. The official designs also contain the phrases "Ain't It Sweet!" and "Pour It On!"

Another Smack shirt directed at LSU fans is the "Beat Oklahoma" shirt. It states, "Bring it Back to the Bayou." This is very similar to two official designs that state in part "Bring It Home" and "We'll Have Big Fun on the Bayou."

The evidence of similarity is not limited to the shirts targeted toward LSU fans. For example, the "Bourbon Street or Bust!" shirt directed at OU fans highlights the letters "OU" in a different type face in the words "Bayou" and "your." It also states "Sweet as Sugar," references beads, and contains a picture of a mardi gras mask. OU presented evidence of official t-shirt designs that also highlight the letters "OU," contain phrases such as "Ain't Nothin' Sweeter" and "100% Pure Sugar," and contain depictions of mardi gras masks and beads. Another Smack OU design encourages, "Let's Make it Eight," while official designs proclaim "Sugar is Sweet But . . . 8 is Great!"

In the district court, Smack presented the affidavit of its principal, Wayne Curtiss, who explained that Smack uses humor and creative language to

distinguish its t-shirt designs from those of the purportedly more conservative licensed or school-endorsed apparel. Curtiss asserted that the "got seven?" and "got eight?" shirts directed towardOSUandUSCfans, respectively, are parodies of the "got milk" campaign. He further averred that he has used a similar design on shirts for LSU and OU fans. It is clear from the record, however, that use of creative language is not unique to Smack and does not make Smack's shirts dissimilar to the Universities' own products. For example, LSU presented evidence of a school-endorsed design that included the phrase "got sugar?" We conclude that Smack's shirts and the Universities' products are similar in look, sound, and meaning, and contain very similar color schemes, words, and images. The similarities in design elements are overwhelming and weigh heavily in favor of a likelihood of confusion. The district court correctly held there is no genuine issue of material fact with respect to this digit of confusion.[54]

The third digit in the likelihood of confusion analysis is the similarity of the products or services. We disagree with Smack's assertion that the district

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[54] Because we conclude that there is no issue of fact as to the similarity of the use of the marks in the t-shirt designs, we need not consider Smack's contention that the district court erroneously stated there had been instances where consumers actually believed Smack's shirts were affiliated with or sponsored by the Universities. Smack points to a stipulation by the parties at the summary judgment stage that there was no evidence any consumer purchased a Smack shirt believing it to be licensed by one of the Universities. Actual confusion on the part of a consumer is not required to find a likelihood of confusion, however. *Elvis Presley Enters.*, 141 F.3d at 203.

court did not find a great deal of similarity between the plaintiffs' products and the t-shirts at issue, as the district court specifically held that "[i]t is undisputed that both Smack and the universities market shirts bearing the same color schemes, logos, and designs."[55] The district court went on to reject Smack's argument that its t-shirts differed from the Universities' products because of the use of irreverent phrases or slang language, reasoning that Smack's use of such phrases and language was a misuse of the Universities' good will in its marks. Smack denies that it appropriated the Universities' good will, but it does not make an argument here that its shirts are distinguishable from those of the Universities because of particular language on its shirts. We therefore find this factor weighs in favor of a likelihood of confusion.

Smack concedes that the fourth factor of the analysis–identity of retail outlets and purchasers–weighs in favor of a likelihood of confusion because the Universities' licensed products are often sold wholesale to the same retailers who purchase Smack's products.

The fifth digit is the identity of advertising media. The district court found that Smack used the Universities' color schemes, logos, and designs in advertising its shirts at the same or similar venues as those used by the Universities.[56] The court based its finding on Smack's admission that it participated in the same trade shows as the Universities and that it

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[55] *Bd. of Supervisors*, 438 F. Supp. 2d at 660.

[56] *Id.*

displayed its shirts at the trade shows. The Universities do not point us to evidence that trade shows are a significant advertising channel for the kinds of products at issue in this case. Although the t-shirts are sold to the public at the same retail outlets as officially licensed merchandise, Curtiss testified that beside limited sales on Smack's web site, Smack does not sell directly to the public and does not advertise. Curtiss testified that Smack sells mainly to wholesalers. Some of these wholesalers may include Smack's shirts in advertisements that promote their own business, but Curtiss was unable to provide much information about these ads. We conclude that this digit, based on trade show advertising, is minimally probative.

The sixth digit of confusion further supports a likelihood of confusion. Although not necessary to a finding of likelihood of confusion, a defendant's intent to confuse may alone be sufficient to justify an inference that there is a likelihood of confusion.[57] As noted by the district court, Smack admitted that it "'used school colors and 'other indicia' with the intent of identifying the university plaintiffs as the subject of the message expressed in the shirt design.'"[58] Curtiss testified that it was "no coincidence" that Smack's shirts incorporated the color schemes of the plaintiff Universities and that he designed the shirts to make people think of the particular school that each shirt targeted. Smack asserts that its intent to copy is not the same as an intent to confuse. The circumstances of

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[57] *Elvis Presley Enters.*, 141 F.3d at 203.

[58] *Bd. of Supervisors*, 438 F. Supp. 2d at 661 (citation omitted).

this case show, however, that Smack intended to capitalize on the potential for confusion. Smack knew that its shirts were sold in the same venues as and sometimes alongside officially licensed merchandise, and it intentionally incorporated color marks to create the kind of association with the Universities that would influence purchasers.

The Eleventh Circuit found a likelihood of confusion based on a similar intent by the defendant to capitalize on the popularity of a college sports team. *Univ. of Ga. Athletic Ass'n v. Laite*.[59] In *Laite*, the defendant used school colors and a mark strikingly similar to the University of Georgia's bulldog mascot on cans to sell "Battlin' Bulldog Beer."[60] After concluding that the defendant's bulldog mark was similar to the university's mark, the court turned to the defendant's intent, concluding "there can be no doubt that Laite hoped to sell 'Battlin' Bulldog Beer' not because the beer tastes great, but because the cans would catch the attention of University of Georgia football fans."[61] Significantly, the court found "the defendant's intent and the similarity of design between the two marks sufficient to support the district court's finding of a 'likelihood of confusion . . . .'"[62] The same is true here. Smack did not hope to sell its t-shirts because of some competitive difference in quality or design compared with the Universities' licensed

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[59] 756 F.2d 1535 (11th Cir. 1985).

[60] *Id.* at 1537.

[61] *Id.* at 1545 (footnote omitted).

[62] *Id.* at 1545.

products, but rather it intended to take advantage of the popularity of the Universities' football programs and the appearance of the school teams in the college bowl games. We have previously said that when a "mark was adopted with the intent of deriving benefit from the reputation of [the mark holder] that fact alone 'may be sufficient to justify the inference that there is confusing similarity.'" *Amstar Corp. v. Domino's Pizza, Inc.*[63] We believe that Smack's admitted intent and the similarity in appearance between Smack's shirts and the Universities' licensed products is strong evidence of a likelihood of confusion.

Smack argues that an intent to confuse is negated by its use of its own logo and the words "Talkin' the Talk," which it maintains identifies it as the source of the shirt. We are not persuaded. Smack's logo appears in a space that is only 2.5 inches wide. We cannot conclude, without more, that this small and inconspicuous placement of the logo would disabuse consumers of a mistaken belief that the Universities sponsored, endorsed or were otherwise affiliated with the t-shirts.[64] Smack has not pointed to evidence that its own logo is recognizable by consumers or that it was acting to trade off its own reputation as a producer of specialty t-shirts.[65] Nor are we convinced

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[63] 615 F.2d 252, 263 (5th Cir. 1980) (quoting RESTATEMENT OF TORTS § 729, comment f (1938)).

[64] *See Pebble Beach*, 155 F.3d at 552 (noting that "conspicuous disclaimers that disclaim affiliation may reduce or eliminate confusion").

[65] *See, e.g., Univ. of Kan. v. Sinks*, 565 F. Supp. 2d 1216, 1244–45, 1247–48 (D. Kan. Mar. 19, 2008) (finding a likelihood of confusion

that Smack's logo on the shirts acts as a disclaimer. The Universities point out that they require all licensed products to contain the licensee's name. Therefore, a consumer could believe that Smack's logo merely indicated that it was a licensee.[66] We conclude that the intent digit weighs in favor of a conclusion that there is a likelihood of confusion.

The seventh digit is evidence of actual confusion. Evidence that consumers have been actually confused in identifying the defendant's use of a mark as that of the plaintiff may be the best evidence of a likelihood of confusion.[67] It is well established, however, that evidence of actual confusion is not necessary for a finding of a likelihood of confusion.[68] The district court did not resolve whether there was sufficient evidence of actual confusion, and because such evidence is not

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with respect to defendant's manufacture of t-shirts that were substantially similar to officially licensed goods, but not shirts that it found contained substantial differences, in part because "[t]he high degree of similarity weighs strongly in favor of a finding of intent; the use of almost identical marks supports a conclusion that defendants intended to derive a benefit from KU's reputation, rather than rely upon their own").

[66] *See A.T. Cross Co. v. Jonathan Bradley Pens, Inc.*, 470 F.2d 689, 692 (2d Cir. 1972) (defendant's placement of its own name on pen also bearing mark similar to plaintiff's mark "does not save the day; a purchaser could well think plaintiff had licensed defendant as a second user and the addition is thus 'an aggravation, and not a justification'" (citation omitted)).

[67] *Elvis Presley Enters.*, 141 F.3d at 203.

[68] *Id.*; *Pebble Beach*, 155 F.3d at 545; *Amstar*, 615 F.2d at 263.

required we also find it unnecessary to pass on the question further.[69]

With respect to the eighth digit of confusion–the degree of care exercised by potential purchasers–the district court held that the t-shirts at issue are relatively inexpensive impulse items that are not purchased with a high degree of care.[70] Where items are relatively inexpensive, a buyer may take less care in selecting the item, thereby increasing the risk of confusion.[71] Smack contends there was insufficient evidence for the district court's conclusion. In response, the Universities note Curtiss' testimony that he hoped customers' decisions to purchase Smack's shirts would be "quick," and they point out that the shirts sell for less than $18. Smack cites no evidence to demonstrate an issue of fact on this point, and we agree with the district court that this digit weighs in favor of a likelihood of confusion.

After reviewing the record, we conclude that there is no genuine issue of fact that Smack's use of the Universities' color schemes and other identifying indicia creates a likelihood of confusion as to the

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[69] The Universities contend that there was evidence of actual confusion consisting of consumer surveys concerning two of the six t-shirt designs and testimony from Curtiss that "I have had people come up and go–at the booth and go, 'Are these licensed?'" The evidence is arguably minimal, *see Amstar*, 615 F.2d at 263, but as discussed we need not resolve the matter.

[70] *Bd. of Supervisors*, 438 F. Supp. 2d at 661.

[71] *Sun-Fun-Prods., Inc. v. Suntan Research & Dev. Inc.*, 656 F.2d 186, 191 (5th Cir. 1981).

source, affiliation, or sponsorship of the t-shirts. As noted above, the digits of confusion—particularly the overwhelming similarity of the marks and the defendant's intent to profit from the Universities' reputation—compel this conclusion. This is so, we have noted, because Smack's use of the Universities' colors and indicia is designed to create the illusion of affiliation with the Universities and essentially obtain a "free ride" by profiting from confusion among the fans of the Universities' football teams who desire to show support for and affiliation with those teams.[72] This creation of a link in the consumer's mind between the t-shirts and the Universities and the intent to directly profit therefrom results in "an unmistakable aura of deception" and likelihood of confusion.[73]

Smack contends that there is no evidence that consumers care one way or the other whether t-shirts purchased for wear at a football game are officially licensed and that, absent evidence that consumers prefer licensed merchandise, it was error for the district court to conclude there was a likelihood of confusion. Smack relies in part on our decision in *Supreme Assembly, Order of Rainbow for Girls v. J. H. Ray Jewelry Company*.[74] The context of that case is different from the instant case.

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[72] *See Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 33 (1st Cir. 1989) ("Defendants' shirts are clearly designed to take advantage of the Boston Marathon and to benefit from the good will associated with its promotion by plaintiffs. Defendants thus obtain a 'free ride' at plaintiffs' expense.").

[73] *Id.* at 35.

[74] 676 F.2d 1079 (5th Cir. 1982).

In *Rainbow for Girls*, a fraternal organization and its official jeweler sued a retailer for trademark infringement based on the retailer's sale of jewelry bearing the organization's registered mark. Purchasers in the fraternal-organization jewelry market bought jewelry to show membership and status in the organization.[75] We upheld the district court's finding of no likelihood of confusion, concluding that "[t]he fact that purchasers purchased Rainbow jewelry as a direct result of the presence of the Rainbow emblem does not compel the conclusion that they did so believing that the jewelry was in any way endorsed, sponsored, approved or otherwise associated with Rainbow, *given the court's findings*."[76] The district court had held that there was no historic custom or practice specific to Rainbow jewelry or to the fraternal jewelry industry that Rainbow jewelry could be manufactured only with Rainbow's sponsorship or approval.[77] Instead, the court noted that fraternal organizations exercised little control over the manufacture of jewelry bearing their emblems.[78] Furthermore, the court had held that because Rainbow's "official jeweler" was itself well-advertised and used its own distinctive mark on the jewelry, any jewelry without that distinctive mark could not cause confusion.[79] We noted that the district court's findings distinguished the case from our

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[75] *Id.* at 1084.

[76] *Id.* (emphasis added).

[77] *Id.* at 1083.

[78] *Id.*

[79] *Id.*

decision in *Boston Professional Hockey Association v. Dallas Cap & Emblem Manufacturing*.[80]

In *Boston Hockey*, we held that the defendant infringed the plaintiff's trademark rights by selling embroidered patches containing the emblems of professional hockey teams.[81] There, the emblems were sold for use by the public to show "allegiance to or identification with the teams."[82] We held that the likelihood of confusion requirement was met because the defendant duplicated and sold the emblems "knowing that the public would identify them as being the teams' trademarks" and because the public's "certain knowledge . . . that the source and origin of the trademark symbols were in plaintiffs satisfies the requirements of the act."[83]

Subsequently, in *Kentucky Fried Chicken Corporation v. Diversified Packaging Corporation*, we recognized that *Boston Hockey* might be read to dispose of the confusion issue when buyers undoubtedly know that the plaintiff is the source and origin of a mark.[84] We reiterated that a showing of likelihood of confusion was still required.[85] But we

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[80] *Id.*

[81] 510 F.2d 1004 (5th Cir. 1975).

[82] *Id.* at 1011.

[83] *Id.* at 1012.

[84] 549 F.2d 368, 389 (5th Cir. 1977).

[85] *Id.*

noted that the circumstances in *Boston Hockey* supported the likelihood of confusion there insofar as the sale of products "universally associated" with the hockey team "supported the inescapable inference that many would believe that the product itself originated with or was somehow endorsed by Boston Hockey."[86] In *Rainbow for Girls*, the district court opinion, which we upheld, also recognized in reference to *Boston Hockey* that "'(i)t is not unreasonable to conclude, given the degree to which sports emblems are used to advertise teams and endorse products, that a consumer seeing the emblem or name of a team on or associated with a good or service would assume some sort of sponsorship or association between the product's seller and the team.'"[87]

We agree with this reasoning as applied to this case, which is more like *Boston Hockey* than *Rainbow for Girls*. We hold that given the record in this case and the digits of confusion analysis discussed above—including the overwhelming similarity between the defendant's t-shirts and the Universities' licensed products, and the defendant's admitted intent to create an association with the plaintiffs and to influence consumers in calling the plaintiffs to mind—that the inescapable conclusion is that many consumers would likely be confused and believe that Smack's t-shirts were sponsored or endorsed by the Universities. The Universities exercise stringent control over the use of their marks on apparel through their licensing program. It is also undisputed that the Universities

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[86] *Id.*

[87] *Rainbow for Girls*, 676 F.2d at 1085.

annually sell millions of dollars worth of licensed apparel. We further recognize the public's indisputable desire to associate with college sports teams by wearing team-related apparel. We are not persuaded that simply because some consumers might not care whether Smack's shirts are officially licensed the likelihood of confusion is negated. Whether or not a consumer *cares* about official sponsorship is a different question from whether that consumer would likely *believe* the product is officially sponsored. For the foregoing reasons, we conclude that a likelihood of confusion connecting the presence of the Universities' marks and the Universities' themselves was demonstrated in this case.

C. Functionality

A product feature that is functional does not qualify for protection under the Lanham Act.[88] The party seeking protection under the Lanham Act has the burden of establishing nonfunctionality. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*[89] The Supreme Court has recognized two tests for determining functionality. "[T]he primary test for determining whether a product feature is functional is whether the feature is essential to the use or purpose of the product or whether it affects the cost or quality

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[88] *Qualitex*, 514 U.S. at 164–65, 115 S. Ct. at 1304; *Eppendorf*, 289 F.3d at 355.

[89] 532 U.S. 23, 32, 121 S. Ct. 1255, 1261 (2001).

of the product."[90] This is the "traditional" test.[91] "Under this traditional definition, if a product feature is 'the reason the device works,' then the feature is functional."[92] Under a secondary test for functionality "a functional feature is one the exclusive use of which would put competitors at a significant non-reputation-related disadvantage."[93] This is the "competitive necessity" test.[94]

In *Boston Hockey*, we held that emblems of a hockey team sold on embroidered patches had no demonstrated value other than their significance as the trademarks of the team.[95] Relying on our decision in *Boston Hockey*, the district court here similarly held that the Universities' color schemes, logos, and designs also had no significance other than to identify with the Universities and were therefore nonfunctional.[96] We agree. Fans and other members of the public purchase Smack's shirts only because the shirts contain the plaintiffs' colors and indicia identifying the Universities' football teams, just as people purchased the defendant's emblems in *Boston Hockey* only

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[90] *Eppendorf*, 289 F.3d at 356 (citing *TrafFix*, 532 U.S. at 32–33, 121 S. Ct. at 1261–62).

[91] *Id.* at 355.

[92] *Id.*

[93] *Id.* at 356 (internal quotation and citation omitted).

[94] *Id.*

[95] *Boston Prof'l Hockey*, 510 F.2d at 1013.

[96] *Bd. of Supervisors*, 438 F. Supp. 2d at 661–62.

because they contained the hockey team's trademarks.[97] In other words, the presence of the plaintiffs' marks serve no function unrelated to trademark.

Smack argues that the Universities' colors do perform functions unrelated to trademark because the Universities use the colors in activities and programs in connection with student life, buildings, and other programs and events and that the colors are not used solely to identify the Universities as a source of goods. However, the claimed trademarks are in the color schemes and other indicia of the Universities when combined on merchandise that refer to the Universities. It is proper, therefore, to examine that context when determining the functionality of the claimed marks.[98] As explained above, the Universities' colors and indicia when used on merchandise creates secondary meaning tending to identify the Universities in the minds of consumers as the producers, sponsors, or endorsers of the product.

The school colors and other indicia used here do not make the t-shirts "work." The t-shirts would function just as well as articles of clothing without the colors and designs. Smack's t-shirts are sold not because of any functionality in the marks Smack placed on them but rather because they bear the identifiable marks of

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[97] *See Boston Prof'l Hockey*, 510 F.2d at 1013.

[98] *Cf. Elvis Presley Enters.*, 141 F.3d at 197 ("Courts consider marks in the context that a customer perceives them in the marketplace . . . .").

the plaintiff Universities.[99] The marks fail under the traditional test for functionality and are protectible.

Smack urges, however, that the Universities' colors on the t-shirts serve several functional purposes. It contends that the shirts allow groups of people to bond and show support for a philosophy or goal; facilitate the expression of loyalty to the school and a determination of the loyalties of others; and identify the wearer as a fan and indicate the team the fan is supporting. These claimed functional uses are nothing more than the kind of aesthetic uses at issue in *Boston Hockey*. Our circuit has consistently rejected the concept of aesthetic functionality.[100]

Smack asserts that the Supreme Court has recognized aesthetic functionality, and it relies on the interplay between the Court's decisions in *Qualitex* and *TrafFix*. As noted above, the Court recognized in *Qualitex* that color alone could be protected as a trademark.[101] In its discussion of functionality, the Court noted that the purpose of the functionality doctrine is to prevent use of a product's feature as a trademark where doing so would hinder competition, and it set forth the traditional definition where functionality turns on whether the feature is "'essential to the use or purpose of the article' or

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[99] *See Boston Hockey*, 510 F.2d at 1013.

[100] *See id.*; *Sno-Wizard*, 791 F.2d at 426 n.3; *Pebble Beach*, 155 F.3d at 540 n.6.

[101] *Qualitex*, 514 U.S. at 163–64, 115 S. Ct. at 1303–04.

'affects [its] cost or quality.'"[102] After discussing aesthetic functionality in the Restatement (Third) of Unfair Competition, the Court went on to state that "where a color serves a significant nontrademark function . . . courts will examine whether its use as a mark would permit one competitor (or a group) to interfere with legitimate (nontrademark-related) competition through actual or potential exclusive use of an important product ingredient. That examination should not discourage firms from creating esthetically pleasing mark designs, for it is open to their competitors to do the same."[103]

In *TrafFix*, the Court reiterated the traditional test for functionality and expanded on the secondary "competitive necessity" test.[104] The Court explained that if a product feature is found to be functional under the traditional test, which it was in that case, the inquiry ends and there is no need to consider whether the feature is a competitive necessity.[105] The Court went on to state, however, that it is proper to inquire into the competitive necessity test in cases of

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[102] *Id.* at 169, 115 S.Ct. at 1306 (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10, 102 S. Ct. 2182, 2186 n.10 (1982)).

[103] *Id.* at 170, 115 S. Ct. at 1306.

[104] *TrafFix*, 532 U.S. at 32, 121 S. Ct. at 1261.

[105] *Id.* at 33, 121 S. Ct. at 1262. The product feature at issue in *TrafFix* was a dual-spring mechanism designed to keep outdoor signs upright in the wind.

aesthetic functionality, which the Court stated "was the central question" in *Qualitex*.[106]

Smack relies on this pronouncement in *TrafFix* for the proposition that the Supreme Court has recognized the aesthetic functionality doctrine. We note that the *TrafFix* Court's characterization of the issue in *Qualitex* has been harshly criticized by commentators.[107] Nevertheless, neither *Qualitex* nor *TrafFix* addressed aesthetic functionality as the dispositive issue, let alone the purported aesthetic functionality of a color-scheme that acts to identify and create a desired association with the particular source.[108] We do not believe that the Court's dictum in *TrafFix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality.[109]

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[106] *Id.*

[107] *See* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7:80 (4th ed.) (calling "amazing and incomprehensible [the] statement that in the 1995 *Qualitex* case, 'aesthetic functionality was the central question'").

[108] *See id.* (stating that "the Supreme Court has never directly addressed aesthetic functionality as a dispositive issue in a case"); *see also Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1070 (9th Cir. 2006) ("The Supreme Court has yet to address aesthetic functionality as it applies to logos and insignia in contrast to product features.").

[109] *See N.L.R.B. v. Datapoint Corp.*, 642 F.2d 123, 129 (5th Cir. 1981) ("Without a *clearly contrary* opinion of the Supreme Court or of this court sitting en banc, we cannot overrule a decision of a prior panel of this court . . . ." (emphasis added)).

Furthermore, we believe application of the competitive necessity test does not require a different result. Smack contends that it will be placed at a significant non-reputation-related disadvantage if it "is unable to satisfy consumer demand for game day clothing that allows fans to conform to the crowd, or satisfy consumer demand for game day clothing that matches other items of clothing worn by the consumer." Smack has admitted that the colors and indicia on its shirts are designed to call the Universities to the mind of the fans, and it acknowledges in its brief that fans purchase t-shirts to wear to football games to show the colors of the team that the consumer is supporting. In other words, fans desire to wear the t-shirts precisely because they show the Universities' marks. The Court in *Qualitex* stressed that the focus of functionality is "legitimate (non-trademark-related) competition."[110] But here any demand for Smack's t-shirts is inextricably tied to the Universities' trademarks themselves.[111] We agree with the Ninth Circuit that "the fact that a trademark is desirable does not, and should not, render it unprotectable."[112] Smack's alleged competitive disadvantage in the ability to sell game day apparel relates solely to an inability to take advantage of the Universities' reputation and the public's desired association with the Universities that its shirts create. This is not an advantage to which it is entitled under

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[110] *Qualitex*, 514 U.S. at 170, 115 S. Ct. at 1306.

[111] *Au-Tomotive Gold*, 457 F.3d at 1074.

[112] *Id.* at 1072.

the rubric of legitimate competition.[113] We conclude that the district court correctly held that the marks at issue here are nonfunctional.

D. Nominative fair use

Smack argues that it incorporated the Universities' colors in its t-shirts to identify the Universities as the subject of the shirts. It contends that this was a protected nominative fair use.

The nominative fair use doctrine provides that "one who has lawfully copied another's product can tell the public what he has copied."[114] It also permits one to "use another's mark truthfully to identify another's goods or services in order to describe or compare its product to the markholder's product."[115] The right of fair use is limited, however, insofar as "the use cannot be one that creates a likelihood of confusion as to source, sponsorship, affiliation, or approval."[116]

We have held that a nominative fair use claim is a claim that a mark's use is noninfringing and therefore

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[113] *See Pebble Beach*, 155 F.3d at 539 ("To define functionality based upon commercial success would allow the second comer to trade on the first comer's goodwill, purely because it would be easier to market his product and not because he could not produce a viable, competitive product.").

[114] *Id.* at 545.

[115] *Id.* at 546.

[116] *Id.*

creates no likelihood of confusion.[117] Thus, we have also said that a court ordinarily should consider a nominative fair use claim in conjunction with its likelihood-of-confusion analysis in order to avoid lowering the standard for confusion.[118] Smack argues that the district court here first determined that there was a likelihood of confusion and then determined that there could be no nominative fair use because of that likelihood, thereby lowing the confusion standard. We are not convinced of any error. Although the alleged nominative fair use should usually be considered along with the likelihood-of-confusion analysis, we have declined to require any particular method for the consideration in cases where the nominative use is not significant factor in the liability determination.[119] We think this is such a case.

In order to avail oneself of the nominative fair use defense "the defendant (1) may only use so much of the mark as necessary to identify the product or service and (2) may not do anything that suggests affiliation, sponsorship, or endorsement by the markholder."[120] Smack used the Universities' colors and indicia in more than a nominative sense. It did not incorporate the colors and other indicia to describe or compare its shirts with shirts licensed by the Universities, nor did it do so to tell the public what it had copied. Smack did incorporate the marks to identify the Universities as

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[117] *Id.* at 545.

[118] *Id.* at 547.

[119] *Id.* at 547 n.14.

[120] *Id.* at 546.

the subject of the shirts, but it did so in a way that improperly suggested affiliation, sponsorship, or endorsement.

To take a simple example, two shirt designs targeted toward the fans of OSU and USC refer to the number of national championships those universities have won and ask, respectively, "got seven?" and "got eight?" Both shirts proclaim "WE DO!" and contain other specific indicia identifying the schools. Smack did not win any national championships—the respective Universities did. The use of the inclusive first-person personal pronoun "we" easily permits the inference that the schools are the speakers in the shirts and therefore endorsed the message.

As noted by the district court, Smack copied the mark with "an intent to rely upon the drawing power in enticing fans of the particular universities to purchase their shirts."[121] Such an attempt to capitalize on consumer confusion is not a nominative fair use.[122] We conclude that the district court correctly granted summary judgment to the Universities on this issue.

E. Laches

Smack asserts that it is undisputed the LSU Athletic Department purchased several of its purple and gold t-shirt designs, none of which are at issue in this case, for sale in the LSU stadium gift shop

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[121] *Bd. of Supervisors*, 438 F. Supp. 2d at 661 (internal quotation marks omitted).

[122] *See New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

between 2001 and 2004. It argues that because LSU never objected to the shirt designs even though they were similar to the designs involved in this case, the doctrine of laches is applicable.

Laches is "an inexcusable delay that results in prejudice to the defendant."[123] "Laches comprises three elements: (1) delay in asserting one's trademark rights, (2) lack of excuse for the delay, and (3) undue prejudice to the alleged infringer caused by the delay."[124] A defendant who intentionally infringes a trademark with the bad faith intent to capitalize on the markholder's good will lacks the clean hands necessary to assert the equitable defense. *Conan Props., Inc. v. Conans Pizza, Inc.*[125]

The district court held that because Smack admitted it intentionally copied the plaintiffs' color schemes, Smack's bad faith precluded the assertion of laches.[126] In *Conan Properties*, we held that although a defendant's intentional use of a plaintiff's mark may give rise to "a presumption that the defendant intended to cause public confusion as to the source or sponsorship of the product," such an intentional use "does not give rise to a presumption that the defendant

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[123] *Elvis Presley Enters.*, 141 F.3d at 205 (internal quotation marks omitted).

[124] *Westchester Media*, 214 F.3d at 668.

[125] 752 F.2d 145, 150–51 & n.2 (5th Cir. 1985).

[126] *Bd. of Supervisors*, 438 F. Supp. 2d at 663.

intended to appropriate the plaintiff's good will."[127] Unlike *Conan Properties*, the record here establishes the substantive and knowing bad faith necessary to foreclose an equitable defense.[128] Smack did not simply admit that it knew the plaintiff Universities used marks similar to its own. Rather, it admitted that it intentionally incorporated the Universities' color schemes and other indicia in order to specifically call the Universities to the public's mind, thus deriving a benefit from the Universities' reputation.[129] The district court properly declined to apply the defense of laches.[130]

F. Actual damages

Smack argues that the district court erroneously denied its motion for judgment as a matter of law at the trial on damages. It asserts that the plaintiffs were

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[127] *See Conan Props.*, 752 F.2d at 151 n.2.

[128] *See id.*

[129] *See id.*; *Armco, Inc. v. Armco Burglar Alarm Co.*, 693 F.2d 1155, 1159 n.7 (5th Cir. 1982).

[130] The district court separately held that (1) OU was entitled to summary judgment on its claim that Smack's shirts highlighting "OU" infringed OU's unregistered mark in those initials, and (2) LSU was entitled to summary judgment on its LUTPA claim. *Bd. of Supervisors*, 438 F. Supp. 2d at 663. The court reasoned that its digits-of-confusion analysis applied with equal force to OU's claim and that the requirements for a claim under LUTPA mirror those of the Lanham Act. *Id.* We agree with the district court. *See also Louisiana World Exposition, Inc. v. Logue*, 746 F.2d 1033, 1039 (5th Cir. 1984) (holding that likelihood of confusion is the essential ingredient for claims under both LUTPA and the Lanham Act).

not entitled to recover actual damages without evidence of actual confusion. It is settled in this circuit, however, that actual confusion is not a necessary prerequisite to an award of money damages.[131]

G. Attorneys' fees

The Universities separately appeal the district court's denial of their request for an award of attorneys' fees. The district court may award a prevailing party its reasonable attorneys' fees under the Lanham Act "in exceptional cases."[132] We review the district court's determination as to whether a case is exceptional for clear error, and we review the district court's decision whether to award attorneys' fees for an abuse of discretion. *Scott Fetzer Co. v. House of Vacuums, Inc.*[133]

The prevailing party bears the burden of demonstrating the exceptional nature of the case by clear and convincing evidence.[134] "An exceptional case is one where the violative acts can be characterized as

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[131] *Taco Cabana*, 932 F.2d at 1126. Although Smack asserts that the Universities presented no evidence from which the jury could find actual confusion, its argument addresses the plaintiffs' *entitlement* to damages and does not contest the jury's specific *award* of damages. We therefore do not consider whether the damages themselves were supported by sufficient evidence.

[132] 15 U.S.C. § 1117(a).

[133] 381 F.3d 477, 490 (5th Cir. 2004).

[134] *Id.*

malicious, fraudulent, deliberate, or willful."[135] The necessary showing demands a "high degree of culpability on the part of the infringer, for example bad faith or fraud."[136]

Smack intentionally copied the Universities' color schemes for use on its shirts and admitted doing so. Yet, we have held that deliberate copying does not render a case per se exceptional.[137] When assessing whether a case is exceptional, courts must consider all the facts and circumstances.[138] We are further mindful that the district court, having heard the evidence, observed the witnesses, and appraised the parties' motives, is in the best position to make this determination.[139] The district court determined at the summary judgment stage that Smack acted in bad faith and was precluded from asserting the equitable defense of laches. However, an actor's bad faith in violating the Lanham Act does not per se equate to malicious, fraudulent, or willful conduct justifying an award of attorneys' fees.[140] The district court here

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[135] *Pebble Beach*, 155 F.3d at 555 (internal quotation marks and citation omitted).

[136] *Id.* at 556.

[137] *Id.*

[138] *Id.* at 555.

[139] *Taco Cabana*, 932 F.2d at 1127.

[140] *See People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 370 (4th Cir. 2001) (holding that defendant's bad faith in violating the anti-cybersquating statute did not compel a

credited Curtiss' testimony that he believed based on a settlement agreement in another case that he could use school colors and design elements in his shirts as long as he did not use the school's name or initials.[141] As the district court also recognized, this case presents somewhat novel issues—also evident by the presence of several amicus briefs—concerning the trademark protection for color schemes used by the Universities. A party does not act in bad faith by predicating his legal claim or defense on an unsettled legal theory.[142]

We have carefully considered the Universities' arguments but conclude that the district court neither clearly erred nor abused its discretion. We therefore affirm the denial of attorneys' fees.

AFFIRMED.

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finding of malicious, fraudulent, willful or deliberate behavior for attorneys' fees under the Lanham Act).

[141] *See Pebble Beach*, 155 F.3d at 556 ("'[a] district court normally should not find a case exceptional where the party presents what it in good faith believes may be a legitimate defense'" (citation omitted)).

[142] *See Scott Fetzer Co.*, 381 F.2d at 490.

APPENDIX B

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

No. 04-1593

Section: "S" (2)

[Filed July 18, 2006]

BOARD OF SUPERVISORS OF THE LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, *ET AL.*	)
VERSUS	)
SMACK APPAREL COMPANY, *ET AL.*	)

ORDER AND REASONS

IT IS HEREBY ORDERED that plaintiffs' motions for summary judgment are **GRANTED** (Record Document Nos. 86 and 143). IT IS FURTHER ORDERED that Defendants' motion for summary judgment is **DENIED** (Record Document Nos. 45 and 48).

I. BACKGROUND

Plaintiffs Louisiana State University (LSU), the University of Oklahoma (OU), Ohio State University (OSU), and the University of Southern California (USC), along with their licensing agent, Collegiate Licensing Company (CLC), have sued defendant Smack Apparel Company and its principal, Wayne Curtiss, under the Lanham Act and related state statutes.

The universities each own trademark registrations for both their names and their commonly used initials. Additionally, over a century ago each university adopted a particular color combination as its school colors (purple and gold for LSU, crimson and creme for OU, scarlet and gray for OSU, and cardinal and gold for USC). The universities have spent millions of dollars over the years in marketing and promoting items bearing their initials and school colors. Plaintiffs generally allege that defendants have engaged in unfair competition by selling shirts bearing the distinctive two colors used by the universities, along with other symbols which identify the universities. Among the allegedly offending designs promulgated by defendants are the following:

- **OU** (2 shirt designs): (1) "Bourbon Street or Bust" (with the "ou" in "Bourbon" in a different typestyle) (front), "Show us your beads!" (with the "ou" in "your" in a different typestyle) and "Sweet as Sugar!" (back) (2) "Beat Socal" (front), "And Let's Make it Eight!"(back). These shirts refer to 2004 Sugar Bowl contest in New Orleans between the OU and LSU football teams. A victory in the Sugar Bowl could have

given OU a claim to an eighth national football championship. One of OU's principal rivals to this claim was USC.

- **LSU** (2 shirt designs): (1) "Beat Oklahoma" (front), "And Bring it Back to the Bayou!" and "2003 College Football National Championship" (back) (2) "2003 College Football National Champions" (front), colored circular depiction of game scores, with "2003 College Football National Champions" and "Sweet as Sugar" (back). These shirts refer to the 2004 Sugar Bowl contest in New Orleans between OU and LSU, which was played to determine the Bowl Championship Series national football champion.

- **OSU:** "Got Seven?" (front), "We do! 7 Time National Champs," with depiction of the state of Ohio and a marker noting "Columbus Ohio" (back). This shirt refers to the seven college football national titles claimed by OSU.

- **USC:** "Got eight?" (front), "We Do! Home of the 8 Time National Champions!" and depiction of the state of California with a star marked "SoCal" (back). This design refers to USC's claim to eight college national football championships.

Certain of the shirts also include additional graphics or type, including championship trophies and the scores of football games in which the universities have competed. The relatively small logo "Smack" appears in an oval on each shirt.

Plaintiffs assert the following claims against defendants: trademark infringement under the Lanham Act, unfair competition under the Lanham Act, unfair trade practices under the Louisiana Unfair Trade Practices Act (as to LSU), federal trademark dilution, state trademark dilution, common law trademark infringement, and common law unfair competition. Plaintiffs have moved for summary judgment on (1) LSU's, OU's, OSU's, and USC's claims for federal unfair competition and common law unfair competition; (2) OU's claim for trademark infringement of its federally registered "OU" mark; (3) plaintiffs' claim for a violation of the Louisiana Unfair Trade Practices Act (LUTPA); and (4) CLC's claims of federal unfair competition, common law unfair competition, and violation of the LUTPA. Defendants also have moved for summary judgment on each of these claims.

II. ANALYSIS

A. LSU's, OSU's, OU's, and USC's claims of unfair competition under 15 U.S.C. § 1125(a) and claims of common law unfair competition.

Section 43(a) of the Lanham Act, codified at 15 U.S.C. § 1125(a), prohibits the use in commerce of "any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact" which is "likely to cause confusion, or cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services,

or commercial activities." Although the parties have variously referred to plaintiffs' color schemes, logos, and designs on university shirts as being trademarks or trade dress, the unfair competition provision of the Lanham Act protects both trademarks and trade dress. *Sugar Busters, L.L.C. v. Brennan*, 177 F.3d 258, 267 (5th Cir. 1999); *see also Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 541 (5th Cir. 1998) ("The same tests apply to both trademarks and trade dress to determine whether they are protectible and whether they have been infringed, regardless of whether they are registered or unregistered."). Additionally, "[a]s a general rule, the same facts which would support an action for trademark infringement would also support an action for unfair competition." *Marathon Mfg. Co. v. Enerlite Prods. Corp.*, 767 F.2d 214, 217 (5th Cir. 1985).

1. Secondary meaning.

Section 43(a) of the Lanham Act "protects qualifying unregistered trademarks," and "the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a)." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992).

Under the Lanham Act, a trademark may be registered if it is "capable of distinguishing the applicant's goods from those of others." *Id.* at 768. A mark's distinctiveness is "often classified in categories of generally increasing distinctiveness;" following the classic *Two Pesos, Inc.* formulation, they may be "(1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or

(5) fanciful." *Id.* Generic marks are not entitled to trademark protection, and suggestive, arbitrary, and fanciful marks are inherently distinctive. A mark that is descriptive may acquire distinctiveness if it "has become distinctive of the applicant's goods in commerce," which is generally called "secondary meaning." *Id.*

Plaintiffs describe their marks as "color schemes in the context of merchandise that makes reference to the Plaintiff Universities or their accomplishments and is directed to their fans and other interested consumers."[1] There is no question that a color scheme may be protectible as a trademark if it "identifies and distinguishes a particular brand (and thus indicates its "source")." *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 163-64, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995). In *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000), the Supreme Court made clear that under *Qualitex*, color is not protectible without proof of secondary meaning. *Id.* at 211-12.

Accordingly, plaintiffs must demonstrate that their color schemes, logos, and designs on shirts referring to them or their accomplishments have attained "secondary meaning," which is a shorthand for denoting that "in the minds of the public, the primary

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[1] Record Document No. 13 at 20; *see also id.* at 2 ("Smack has deliberately copied the school colors of LSU (purple and gold), Oklahoma (crimson and creme), Ohio State (scarlet and gray), and USC (cardinal and gold) in connection with merchandise that refers to the Plaintiff Universities.").

significance of a [mark] is to identify the source of the product and not the product itself." *Id.* at 211.[2]

> To acquire a secondary meaning in the minds of the buying public, a labeled product, when shown to a prospective customer, must prompt the reaction, "That is the product I want because I know that all products with that label come from a single source and have the same level of quality." In other words, the article must proclaim its identity of source and quality, and not serve simply to stimulate further enquiry about it.
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> As one court stated, "The buyer to be deceived, must be looking for something." That is, the buyer, to be deceived, must be looking for some symbol which he thinks identifies a single, albeit anonymous, source. Without that identification, called "secondary meaning" for non-inherently distinctive terms, there can be no confusion.

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[2] *See also Sugar Busters*, 177 F.3d at 269 (primary element of secondary meaning is "a mental association in buyer[s'] minds between the alleged mark and single source of the product"); *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 795 (5th Cir. 1983) ("In assessing a claim of secondary meaning, the major inquiry is the consumer's attitude toward the mark. The mark must denote to the consumer 'a single thing coming from a single source,' to support a finding of secondary meaning."); J. Thomas McCarthy, 2 *McCarthy on Trademarks and Unfair Competition* § 15:5, at 15-9 (4th ed. 2005) ("The prime element of secondary meaning is a *mental association* in buyers' minds between the alleged mark and a single source of the product.") (italics in original).

J. Thomas McCarthy, 2 *McCarthy on Trademarks and Unfair Competition* § 15:11, at 15-22 (4th ed. 2005); *see also Bretford Mfg., Inc. v. Smith System Mfg. Corp.*, 419 F.3d 576, 579 (7th Cir. 2005) ("[W]hen trade dress implies the product's origin it is protected as a trademark (unless it is also functional); but when consumers value the feature for its own sake rather than as a badge of origin, it may be copied freely.").

The Fifth Circuit has adopted a seven factor test for establishing secondary meaning:

> That a particular mark or trade dress has acquired secondary meaning can be proven by a consideration of the following evidence: (1) length and manner of the use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant's intent in copying the trade dress. While each of these types of evidence alone may not prove secondary meaning, in combination they may indicate that consumers consider the mark or trade dress to be an indicator of source. In considering this evidence, the focus is on how it demonstrates that the meaning of the mark or trade dress has been altered in the minds of consumers.

Pebble Beach, 155 F.3d at 541. Under this test, "the burden of proof rests at all times with the plaintiff, and '[a] high degree of proof is necessary to establish secondary meaning for a descriptive term.'" *Vision Center v. Opticks, Inc.*, 596 F.2d 111, 118 (5th Cir.

1979), *cert. denied*, 444 U.S. 1016, 100 S.Ct. 668, 62 L.Ed.2d 646 (1980).

The court finds that plaintiffs have established secondary meaning in their particular color schemes, logos, and designs. It is undisputed that the universities have used their color combinations for a lengthy period of time.[3] The universities market scores of items bearing their color schemes, logos, and designs, and sales of these items exceed tens of millions of dollars.[4] The universities advertise items with their school colors in almost every conceivable manner, and the record contains ample evidence that the universities' school colors have been referenced numerous times in magazines and newspapers. The universities have even used the colors to refer to themselves, *i.e.*, LSU sometimes refers to itself as the "Purple and Gold." Defendants admit that they selected the color schemes, logos, and designs for their shirts in order to refer to the universities and call them to the mind of the consumer, although defendants deny that they intended to confuse the public into thinking the universities manufactured Smack's shirts. *See Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 663 (7th Cir. 1995) (holding that "Copying is only evidence of secondary meaning if the defendant's intent in copying is to confuse consumers

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[3] LSU has used its school colors since 1893, Oklahoma since 1895, Ohio State since 1878, and USC since 1895.

[4] For example, the declaration of Robert Cleveland, the Assistant Director of Trademarks and Licensing for The Ohio State University, attests that retail sales "of OSU merchandise reflecting use of the scarlet and gray color scheme" exceed $50,000,000.00.

and pass off his product as the plaintiff's. In that situation, the defendant's belief that plaintiff's trade dress has acquired secondary meaning – so that his copying will indeed facilitate his passing off – is some evidence that the trade dress actually has acquired secondary meaning.").

Applying the Fifth Circuit's test for secondary meaning, the court concludes that there are no genuine issues of disputed material fact, and plaintiffs' color schemes, logos and designs have achieved secondary meaning.

2. Likelihood of confusion.

To determine whether there is infringement under both the Lanham Act and the common law tort of unfair competition, if a color scheme, logo, or design has acquired secondary meaning, the next step is to determine likelihood of confusion. *See Society of Financial Examiners v. National Ass'n of Certified Fraud Examiners, Inc.*, 41 F.3d 223, 225 (5th Cir.) ("The gravamen for any action of trademark infringement or common law unfair competition is whether the challenged mark is likely to cause confusion."), *cert. denied*, 515 U.S. 1103, 115 S.Ct. 2247, 132 L.Ed.2d 255 (1995). Plaintiffs must demonstrate that the use of its mark by defendant "is likely to cause confusion among consumers as to the source, affiliation, or sponsorship" of defendants' "products or services. A 'likelihood of confusion' means that confusion is not just possible, but probable." *Scott Fetzer Co. v. House of Vacuums, Inc.*, 381 F.3d 477, 483 (5th Cir. 2004); *see also Kentucky Fried Chicken v. Diversified Packaging Corp.*, 549 F.2d 368, 382 (5th Cir. 1977) (holding that the "determinative question"

in applying common law tort of unfair competition is "whether the tortfeasor's practices are likely to mislead customers into believing that the product emanates from or has been endorsed by the claimant"). The digits of confusion test applies to this issue:

> In assessing whether use of a mark creates a likelihood of confusion as to affiliation or endorsement, we consider the "digits of confusion," a list of factors that tend to prove or to disprove that consumer confusion is likely. Those factors are: (1) the type of mark allegedly infringed; (2) the similarity between the two marks; (3) the similarity of the products or services; (4) the identity of retail outlets and purchasers; (5) the identity of the advertising media used; (6) the defendant's intent; and (7) any evidence of actual confusion.
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> The digits are a flexible and nonexhaustive list. They do not apply mechanically to every case and can serve only as guides, not as an exact calculus.

Scott Fetzer, 381 F.3d at 484-85. Additionally, in *Sunbeam Products, Inc. v. West Bend Co.*, 123 F.3d 246 (5th Cir.), *cert. denied*, 523 U.S. 1118, 118 S.Ct. 1795, 140 L.Ed.2d 936 (1997), the court added an eighth digit: the degree of care employed by consumers. *Id.* at 257. "No one factor is dispositive, and a finding of a likelihood of confusion does not even require a positive finding on a majority of these 'digits of confusion.'" *Elvis Presley Enters. v. Capece*, 141 F.3d 188, 194 (5th Cir. 1998). The issue of whether a likelihood of confusion exists is a question of fact. *Society of Financial Examiners*, 41 F.3d at 225.

The first digit of confusion, the type of the mark, "refers to the strength of the mark." *Elvis Presley Enters.*, 141 F.3d at 201. "The stronger the mark, the greater the protection it receives because the greater the likelihood that consumers will confuse the junior user's use with that to the senior user." *Id.* In assessing this digit, "the trier of fact looks at all third party use, not just use in the same industry, to determine whether a mark is a 'weak' or a 'strong' mark." *Union Nat'l Bank of Texas, Laredo, Texas v. Union Nat'l Bank of Texas, Austin, Texas*, 909 F.2d 839, 848 n. 24 (5th Cir. 1990). As detailed above, the universities' color schemes, logos, and designs are extremely strong marks that have been used for decades and have acquired secondary meaning in the context of reference to the plaintiffs' universities or their accomplishments, which are directed to their fans and other interested consumers. Although there are many uses of the universities' color schemes, logos, and designs by third parties, there is no indication that any third party used the marks in that context. See *University of Georgia Athletic Ass'n v. Laite*, 756 F.2D 1535, 1545 (11th Cir.1985).

The second digit of confusion, similarity of the marks, is determined by comparing the marks:

> The similarity of the marks in question is determined by comparing the marks' appearance, sound, and meaning. "Even if prospective purchasers recognize that the two designations are distinct, confusion may result if purchasers are likely to assume that the similarities in the designations indicate a connection between the two users. The relevant inquiry is whether, under the circumstances of

> the use," the marks are sufficiently similar that prospective purchasers are likely to believe that the two users are somehow associated.

Elvis Presley Enters., 141 F.3d at 201. The marks at issue are virtually identical: Smack's shirts bear the same color schemes and similar logos and designs as those of the plaintiffs, and their shirts each bear logos and designs leaving no doubt that they refer to the plaintiff universities. There are instances where consumers have connected Smack's shirts to the universities, believing there to be some affiliation or sponsorship.

Under the third digit of confusion, similarity of products or services, "the greater the similarity between products and services, the greater the likelihood of confusion." *Id.* at 202. Even if products are not directly competing, a likelihood of confusion may exist because consumers may be confused as to the sponsorship, affiliation, or connection between the parties' products. *Id.* at 202. It is undisputed that both Smack and the universities market shirts bearing the same color schemes, logos, and designs. Smack argues that its products differ from those authorized by the universities because, in addition to the respective colors, they include irreverent phrases or slang comments. This argument runs afoul of the principle that a trademark provides protection for one's investment in good will. "The creation of value in a trademark requires 'the expenditure of great effort, skill and ability' and a competitor should not be permitted to take a 'free ride' on the trademark owner's good will and reputation." 1 *McCarthy on Trademarks*, § 2:30, at 2-54 (quoting *Smith v. Chanel, Inc.*, 402 F.2d 562, 568 (9th Cir. 1968)). Clearly,

"[t]hose who invest time, money and energy in the development of good will and a favorable reputation [should] be allowed to reap the advantages of their investment." *Truck Equipment Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir. 1976). Smack's use of irreverent phrases or slang comments misuses the plaintiffs' reputation and good will, which is embodied in their trademarks. Smack may not trade upon or exploit the universities' reputation and goodwill.

The fourth digit of confusion requires analyzing the identity of retail outlets and purchasers. "Dissimilarities between the retail outlets 'lessen the possibility of confusion, mistake, or deception.'" *Moore Business Forms, Inc. v. Ryu*, 960 F.2d 486, 490 (5th Cir. 1992). The record reflects that some of Smack's shirts are sold through its own internet website but that others are sold in booths and kiosks set up by retailers near stadiums on the days on which the respective university plaintiffs play football. Smack's shirts also are sold in retail outlets alongside those of the plaintiffs. There is no dissimilarity between retail outlets.

The fifth digit of confusion is the identity of the advertising media used:

> The use of a mark in advertising is highly probative of whether the mark creates a likelihood of confusion in relation to another mark. 'Evidence of the context in which a mark is used on labels, packages, or in advertising material directed to the public is probative of the reaction of prospective purchasers to the mark.' Courts consider marks in the context

> that a customer perceives them in the marketplace, which includes their presentation in advertisements.

Elvis Presley Enters., 141 F.3d at 197. Smack admits that it participates in the same trade shows as plaintiffs, and advertises and markets its shirts for sales at those shows. Smack's use if the universities' color schemes, logos, and designs through the advertising of its shirts at the same or similar venues as those used by the universities creates a likelihood of confusion.

The sixth digit of confusion is intent to confuse customers. *Id.* at 203. Although defendants do not admit they intended to deceive consumers as to the source of their shirts, they admit that they "used school colors and 'other indicia' with the intent of identifying the university plaintiffs as the subject of the message expressed in the shirt design."[5] This factor weighs in favor of likelihood of confusion because defendants used the color schemes, logos, and designs of the plaintiffs with "an intent" to "rely upon the drawing power" in enticing fans of the particular universities to purchase their shirts. *Id.*

The seventh digit, actual confusion, tests whether defendants have used plaintiffs' trademarks, and the public has identified the marks as those of the plaintiffs. The only evidence of actual confusion in this

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[5] *See* defendants' opposition memorandum to plaintiffs' motion at p. 4.

case is survey evidence presented by the plaintiffs.[6] This evidence, however, is hotly contested and unnecessary. It has long been held that actual confusion need not be proved. *A.J. Abramson v. Coro,* 240 F.2d 854, 856-57 (5th Cir. 1957). Rather, a showing of a likelihood of confusion is sufficient. *Id.*

A likelihood of confusion, the eighth digit, weighs in favor of the plaintiffs. "Confusion is more likely, . . . if the products in question are 'impulse' items or are inexpensive." *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.,* 791 F.2d 423, 428 (5th Cir. 1986). The products at issue in this case are relatively inexpensive shirts, which are not purchased with a high degree of care.

The court concludes plaintiffs have established likelihood of confusion.

3. Functionality.

A product feature that is functional may not be protected as a trademark or as part of a trade dress. *See Qualitex,* 514 U.S. at 164-65 (a product feature that is functional "cannot serve as a trademark"); *Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH,* 289 F.3d 351, 355 (5th Cir.) ("If a product feature is functional, it cannot be protected trade dress."), *cert.*

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[6] Defendants filed a motion in limine to exclude plaintiffs' survey evidence, which was the product of a mall intercept study performed by one of the plaintiffs' experts. *See* Record Document Nos. 61 (defendants' motion in limine) and 91 (plaintiffs' opposition). The issue need not be addressed because the court has reached a conclusion of likelihood of confusion without consideration of the survey evidence.

denied, 537 U.S. 1071, 123 S.Ct. 671, 154 L.Ed.2d 565 (2002). The Lanham Act requires that to obtain protection for a particular trademark, the burden is on the plaintiff to prove that the trademark is not functional. Plaintiffs admit that they bear the burden of demonstrating that their trademark is not functional.

In *Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg, Inc.*, 510 F.2d 1004 (5th Cir. 1975), the defendant manufactured and sold embroidered cloth emblems embodying the plaintiff hockey teams' registered trademarks and service marks. Defendant argued that plaintiffs' trademarks were functional. The Fifth Circuit rejected this argument:

> [D]efendant asserts . . . that plaintiffs' marks when embroidered on emblems for wearing apparel are functional and, thus, serve no trademark purpose . . . .
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> The short answer to defendant's arguments is that the emblems sold because they bore the identifiable trademarks of plaintiffs. . . . In the case at bar, the embroidered symbols are sold not because of any . . . aesthetic characteristics but because they are the trademarks of the hockey teams. Those cases which involved utilitarian articles such as pole lamps, fluorescent lighting fixtures, and toggle clamps all involved products which had a consumer demand regardless of their source of origin. The principles involved in those cases are not applicable to a trademark symbol case where the design or symbol has no demonstrated value

> other than its significance as the trademark of a hockey team.

Boston Professional Hockey Ass'n, 510 F.2d at 1013 (citations omitted). As defendants admit, consumers purchase shirts of the universities' color schemes, logos, and designs in order to show support for the particular university; there is no consumer demand without these identifying characteristics. They have no demonstrated value other than their significance to identify with the universities. Accordingly, the court concludes that plaintiffs have demonstrated that their school color schemes, logos, and designs are not functional.

4. Fair use.

Smack argues that even if the universities' color schemes, logos, and designs are entitled to trademark protection, its use thereof is a nominative fair use. The Fifth Circuit examined the nominative fair use defense in *Pebble Beach*:

> Courts have long recognized that one who has lawfully copied another's product can tell the public what he has copied. Likewise, one can use another's mark truthfully to identify another's goods or services in order to describe or compare its product to the markholder's product. This right to use a mark to identify the markholder's products – a nominative use – however, is limited in that the use cannot be one that creates a likelihood of confusion as to source, sponsorship, affiliation, or approval.

> As the Ninth Circuit has recognized,[7] where a nominative use of a mark occurs without any implication of affiliation, sponsorship, or endorsement – i.e., a likelihood of confusion – the use "lies outside the strictures of trademark law." In order to avail itself of the shield of nominative use, the defendant (1) may only use so much of the mark as necessary to identify the product or service and (2) may not do anything that suggests affiliation, sponsorship, or endorsement by the markholder. By definition, the defendant cannot use the mark to identify its goods because this would not be a nominative use, and it would also suggest affiliation, sponsorship, or endorsement.

Pebble Beach, 155 F.3d at 545-46; *see also* 3 *McCarthy on Trademarks*, § 23:11, at 23-54-55 (stating that a "nominative fair use" occurs when a junior trademark user employs "another's trademark to identify, not the defendant's goods or services, but the plaintiff's goods or services. This is not an infringement so long as there is no likelihood of confusion."). The court concludes that the nominative fair use defense is not applicable because plaintiffs have demonstrated a likelihood of confusion.

5. Laches.

Defendant argues that plaintiffs' claims are barred by laches. "Laches is commonly defined as an

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[7] The nominative fair use concept was developed by the Ninth Circuit in *New Kids on the Block v. News Amer. Publ'g, Inc.*, 971 F.2d 302 (9th Cir. 1992).

inexcusable delay that results in prejudice to the defendant." Laches is composed of three elements: (1) delay in asserting one's trademark rights, (2) lack of excuse for the delay, and (3) undue prejudice to the alleged infringer caused by the delay." *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 668 (5th Cir. 2000) (citation omitted). Because defendants admit that they intentionally copied plaintiffs' color schemes, their bad faith deprives it of the ability to assert the equitable defense of laches. *See Conan Properties, Inc. v. Conan's Pizza, Inc.*, 752 F.2d 145, 149 (5th Cir. 1985). Additionally, defendants have not demonstrated any undue prejudice to them from plaintiffs' alleged delay in asserting their trademark rights.

B. OU's claim for infringement of the "OU" mark.

Plaintiff OU owns several federal trademarks for certain stylized representations of its initials. OU argues that defendants' use of the letters "OU" on shirts referring to it or its accomplishments violates the Lanham Act. Because defendants' use of the OU initials does not match those in OU's registered marks, OU admits that its claim is for infringement of an unlicensed mark.

The court concludes that OU is entitled to summary judgment on this claim. The OU mark is extremely strong. OU has been known by its initials for many years, and defendants chose to highlight these two letters on their shirts for the precise reason that consumers would realize the letters refer to the university. Each of the digits of confusion set forth

above apply with equal force to defendants' use of the OU letters on their shirts.

C. The Louisiana Unfair Trade Practices Act (LUTPA).

The requirements of the LUTPA "mirror those of the Lanham Act." *Prudhomme v. Proctor & Gamble Co.*, 800 F. Supp. 390, 395 (E.D. La. 1992); *see also Louisiana World Exposition, Inc. v. Logue*, 746 F.2d 033 (5th Cir. 1984) ("Likelihood of confusion is the essential ingredient for claims of unfair competition under both the Lanham Act and the Louisiana [unfair trade practices] statute"). For the reasons stated, the court concludes that plaintiff LSU is entitled to summary judgment on its claim under the LUTPA.[8]

D. Claims of Collegiate Licensing Company (CLC).

Defendants argue that the CLC lacks standing to sue because it does not own any of the trademarks at issue.

The record reflects that CLC is the "exclusive agent" that has been designated by the plaintiffs to appoint licensees of their merchandise, and receives a royalty for the licensing fees that are generated. The only exceptions to CLC's exclusive agency designations are for certain non-retail sales such as "university purchases for internal consumption" or "student organization use."

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[8] LSU is the only plaintiff that may assert a claim under LUTPA.

Section 1125(a)(1) of the Lanham Act specifically provides that a cause of action may be asserted by "any person who believes that he or she is or is likely to be damaged" by infringing conduct, and the Fifth Circuit has held on several occasions that this provision permits the assertion of unfair competition claims by exclusive trademark licensees. *See Martin's Herend Imports v. Diamond & Gem Trading USA*, 112 F.3d 1296, 1301 n. 10 (5th Cir. 1997) (holding that exclusive importer had standing to sue for unfair competition under §1125(a)); *Norman M. Morris Corp. v. Weinstein*, 466 F.2d 137, 142 (5th Cir. 1972) (holding that exclusive sales agent "was a person damaged by the unlawful competition of [defendant], and therefore was entitled to maintain a civil action for injunctive relief under § 1125(a)"). Although the minimal exceptions to the CLC's licenses render it a non-exclusive distributor, the court finds that these exceptions are not material, and do not deprive CLC of the ability to assert a claim under § 1125(a)(1). Similarly, CLC's agency agreements giving it the ability to distribute products bearing plaintiffs' marks gives it standing to assert its federal and state claims for infringement and trademark dilution. *See, e.g., World Championship Wrestling v. Titan Sports, Inc.*, 46 F. Supp. 2d 118, 122 (D. Conn. 1999). Accordingly, defendants' motion for summary judgment on CLC's claims is denied, and for the reasons stated above with regard to the specific university licensors, CLC's motion for summary judgment is granted.

III. CONCLUSION

Plaintiffs' motions for summary judgment are granted, and defendants' motions for summary judgment are denied.

New Orleans, Louisiana this **18th** day of July, 2006.

/s/ Mary Ann Vial Lemmon
Mary Ann Vial Lemmon
United States District Judge

APPENDIX C

IN THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 07-30580

[Filed December 23, 2008]

BOARD OF SUPERVISORS FOR LOUISIANA STATE UNIVERSITY AGRICULTURAL AND MECHANICAL COLLEGE; BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA; OHIO STATE UNIVERSITY; UNIVERSITY OF SOUTHERN CALIFORNIA

Plaintiffs-Appellees

v.

SMACK APPAREL CO; WAYNE CURTISS

Defendants-Appellants

Cons. w/ No. 07-30887

BOARD OF SUPERVISORS FOR LOUISIANA STATE UNIVERSITY AGRICULTURAL AND MECHANICAL COLLEGE; BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA; OHIO STATE UNIVERSITY;

UNIVERSITY OF SOUTHERN CALIFORNIA;)
COLLEGIATE LICENSING COMPANY)
)
Plaintiffs-Appellants)
)
v.)
)
SMACK APPAREL CO; WAYNE CURTISS)
)
Defendants-Appellees)
)

Appeals from the United States District Court
for the Eastern District of Louisiana, New Orleans

ON PETITION FOR REHEARING EN BANC

(Opinion 11/25/08, 5 Cir., ____, ____ F.3d ____)

Before REAVLEY, STEWART, and OWEN, Circuit Judges.

PER CURIAM:

(✓) Treating the Petition for Rehearing En Banc as a Petition for Panel Rehearing, the Petition for Panel Rehearing is DENIED. No member of the panel nor judge in regular active service of the court having requested that the court be polled on Rehearing En Banc (FED. R. APP. P. and 5TH CIR. R. 35), the Petition for Rehearing En Banc is DENIED.

( ) Treating the Petition for Rehearing En Banc as a Petition for Panel Rehearing, the Petition for Panel Rehearing is DENIED. The court having been polled at the request of one of the members of the court and a

majority of the judges who are in regular active service and not disqualified not having voted in favor (FED. R. APP. P. and 5TH CIR. R. 35), the Petition for Rehearing En Banc is DENIED.

ENTERED FOR THE COURT:

/s/ Thomas M. Reavley
United States Circuit Judge

REHG-6a

CLERK'S NOTE:
SEE FRAP AND LOCAL RULES 41 FOR STAY OF THE MANDATE

*Judge Dennis and Judge Clement did not participate in the consideration of the rehearing en banc.

No. 08-1197

Supreme Court, U.S.
FILED
APR 27 2009
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IN THE

Supreme Court of the United States

SMACK APPAREL COMPANY AND WAYNE CURTISS,
Petitioners,

v.

BOARD OF SUPERVISORS OF THE LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, THE OHIO STATE UNIVERSITY, UNIVERSITY OF SOUTHERN CALIFORNIA, AND THE COLLEGIATE LICENSING COMPANY,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether two-color combinations, used for decades to identify famous Universities, are protectible trademarks, when this Court already has held in *Qualitex Co. v. Jacobson Products, Co.*, 514 U.S. 159 (1995), that a color alone can be a protectible trademark.

2. Whether the Fifth Circuit Court of Appeals misapplied its own precedent with respect to the "likelihood of confusion" trademark-infringement analysis.

3. Whether the doctrine of "aesthetic functionality," which has been consistently rejected by the courts of appeals, can be used to justify the intentional use of the Universities' color trademarks to market t-shirts to the Universities' fans for the sole purpose of trading on the goodwill associated with those trademarks.

4. Whether the district court in this case properly followed Fifth Circuit precedent in applying the doctrine of nominative fair use.

PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

The parties to this proceeding are Smack Apparel Company and Wayne Curtiss, and the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College, Board of Regents of the University of Oklahoma, The Ohio State University, University of Southern California, and the Collegiate Licensing Company. Pursuant to this Court's Rule 29.6, Respondent The Collegiate Licensing Company states that more than ten percent of its shares are owned by IMG Worldwide, Inc.

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INTRODUCTION

Out of narrow case-specific holdings, petitioners strain to create sweeping doctrinal issues. The holdings in this case neither raise substantial questions of unsettled federal law nor conflict with any precedent of other courts of appeals or of this Court. The petition itself, largely devoted to the facts and procedural disposition of this case, highlights the limited, case-specific nature of the conclusions below. Two of petitioners' proposed questions aver disagreements by different panels of the Fifth Circuit, an inappropriate basis for seeking a writ of *certiorari*. And the petition's asserted conflicts among authorities stem not from actual disagreements among courts of appeals but from petitioners' omissions of cases demonstrating consistency across the federal courts. For example, the divergence claimed by petitioners between the Fifth and Ninth Circuits on the issue of aesthetic functionality has been eliminated – to the extent that it ever existed at all – by the more recent decisions in *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252 (9th Cir. 2001) and *Au-tomotive Gold, Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062 (9th Cir. 2006), *cert. denied*, 549 U.S. 1282 (2007), which petitioners fail even to mention.

The exaggerated significance petitioners assign to this case, which is about six t-shirts, derives from petitioners' misapprehension of fundamental trademark principles, not from any actual magnitude of the issues raised. For instance, at least since Judge Learned Hand articulated the principle that "[if] another uses [an owner's trademark], he borrows the owner's reputation, whose quality no longer lies within his own control,"

Yale Electric Corporation v. Robertson, 26 F.2d 972, 974 (2d Cir. 1928), trademark law has been settled with respect to a trademark owner's right to control the quality and reputation of his mark. This case is hardly the first addressing the scope of a trademark owner's rights or an owner's ability to control the reputation and quality associated with its mark. Pet. at 26-30. Indeed, the absence of a substantial legal question in this case may be best demonstrated by the petition itself, which devotes nearly twenty-six of its thirty-eight pages to the specific facts and decisions below, and which frames the "significance" of the issues in terms of a single industry – game-day sports apparel. *Id.* at 30-31.

The Fifth Circuit's decision in this case is closely constrained to the facts and firmly rooted in longstanding principles of trademark law. Accordingly, this Court should deny the petition for a writ of *certiorari*.

STATEMENT OF THE CASE

This case involves the intentional misappropriation and use by a t-shirt vendor, Smack Apparel Company, of the well known trademarks of four Universities – LSU, Oklahoma, Ohio State, and USC. In the weeks leading up to the college football Bowl Championship Series in early 2004, without the respondents' permission, petitioners incorporated the Universities' famous trademarks (including their well-known color schemes in combination with other University-identifying indicia) in designs printed on unlicensed t-shirts that petitioners then sold in the same stores and at the same prices as licensed University t-shirts.

The Universities' football programs are among the most reputable in the country, and their color schemes (*e.g.*, the Purple and Gold of LSU), which have been used and extensively promoted for over a century, are widely recognized as identifying the Universities. *See Bd. of Supervisors v. Smack Apparel Co.*, 438 F. Supp. 2d 653, 658 (E.D. La. 2006); Pet. App. B at 50a. Indeed, respondents' color schemes have become such well-known identifiers that third parties (such as newspapers and magazines) often use them as short-hand references for the Universities (*e.g.*, "Scarlet and Gray" for OSU, "Crimson and Cream" for OU, and "Cardinal and Gold" for USC).[1]

In addition to these color schemes, respondents hold both registered and unregistered trademark rights in their names and commonly used initials. For example,

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[1] Petitioners admit that the Universities' color schemes hold "secondary meaning" and operate as strong trademarks by "conced[ing] that the Universities' color schemes are well-known and are used to identify the plaintiff Universities." *Bd. of Supervisors v. Smack Apparel Co.*, 550 F.3d 465, 479 (5th Cir. 2008); Pet. App. A at 19a. Contrary to the petition's suggestion that third-party uses of respondents' color schemes have weakened the Universities' color schemes' source-identifying qualities, the record "evidence falls far below that of extensive use, and the specific photographs of third-party use here fail to create an issue of fact concerning the public's association between the [Universities] and color schemes and other indicia that clearly reference the Universities." *Id.* (comparing petitioners' meager 31 purported instances of third-party use to cases involving several thousand instances of third-party use, which were considered "extensive" enough to weaken the mark at issue (citing *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311, 316 (5th Cir. 1981)).

the University of Oklahoma owns federal trademark registrations for its well-known OU trademark.[2] And respondents routinely grant licenses to third parties to manufacture and sell retail goods, including t-shirts, bearing the Universities' color schemes and other trademarks.

With full knowledge of respondents' color schemes, trademark rights, and licensing programs – but without obtaining a license from any of the respondents – petitioners manufactured and sold the six t-shirt designs at issue in this case.[3] Images of these designs appear in

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[2] Although the University of Oklahoma's registrations for the OU mark issued after petitioners first began selling the "Show us Your Beads!" t-shirt, several facts undermine petitioners' claimed innocence regarding using this mark (Pet. at 8-9), including: petitioners knew that Oklahoma held registrations for the interlocking OU mark; petitioners knew that Oklahoma had common law rights in the plain OU mark; and petitioners did not stop selling the infringing t-shirts after Oklahoma filed trademark applications for the OU mark. *See* 438 F. Supp. 2d at 663; Pet. App. B at 68-69a.

[3] Petitioners devote seven pages of their petition to describing the six t-shirt designs at issue. Pet. at 5-11. Respondents object to these descriptions insofar as they contain legal conclusions and misstatements of fact. In particular, petitioners' descriptions improperly contain legal conclusions, such as "Smack uses words and images which are not trademarks" (Pet. at 3) and "[t]he 'Got Seven?' and 'Got Eight?' t-shirt designs are a parody. . . ." (*id.* at 10). Petitioners' descriptions further contain factual misstatements. For example, contrary to petitioners' claim that "Smack has manufactured virtually identical t-shirt designs for dozens of other schools, including OU and LSU, without objection" (*id.* at

(Cont'd)

the Appendix to this Brief. Resp't App. A. Each of these designs incorporates one of the Universities' color schemes *combined with* other source-identifying indicia, including: (a) well known athletic events in which the subject University has participated; (b) one of the targeted University's opponents in such an athletic event; (c) specific geographic references to where the University is located or the event occurred; (d) athletic titles or honors bestowed on the University as a result of the event; or (e) a University's prior athletic successes or accomplishments (collectively, "identifying indicia").[4]

Consistent with similar cases decided by the courts of appeals and this Court, the courts below held that petitioners intentionally designed t-shirts bearing the Universities' color schemes, in combination with other identifying indicia, and specifically marketed them to the Universities' fans for the sole purpose of trading on

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(Cont'd)
10-11), respondents have objected often and vociferously to petitioners' conduct. In fact, shortly after the district court entered judgment in this case, respondents successfully brought a contempt action against petitioners for manufacturing and selling t-shirt designs "virtually identical" to those at issue here. *See Bd. of Supervisors v. Smack Apparel Co.*, 574 F. Supp. 2d 601, 603-606 (E.D. La. 2008).

[4] Respondents have not claimed that *any* shirt bearing the Universities' color schemes would be infringing. Rather, respondents consistently have contended that petitioners' sales of the six designs at issue constitute trademark infringement and unfair competition because the color schemes are used *in combination with* other source-identifying indicia. *See* 550 F.3d at 475; Pet. App. A at 11-12a.

the goodwill associated with respondents' trademarks. Petitioners conceded repeatedly, in testimony and throughout briefing, that they "selected the color schemes, logos, and designs for their shirts in order to refer to the universities and *call them to the mind* of the consumer." 438 F. Supp. 2d at 658, Pet. App. B at 57a (emphasis added); *see also* 550 F.3d at 477, Pet. App. A at 15a. Petitioners also conceded that they marketed these t-shirts alongside licensed t-shirts, at the same price point, without any markings indicating the shirts were unlicensed, knowing that consumers might be confused and purchase petitioners' unlicensed t-shirts instead of licensed ones.[5] 550 F.3d at 482; Pet. App. A at 26a.

In seeking a writ of *certiorari*, and attempting to soften previously made concessions, petitioners offer several misstatements. For example, the petition states that petitioners' t-shirts are distinguishable because "Smack is known for [its] humorous messages . . . which are rarely found on licensed products." Pet. at 3. To the contrary, "[i]t is clear from the record . . . that use of creative language is not unique to Smack and does not make Smack's shirts dissimilar to the Universities' own products." 550 F.3d at 480; Pet. App. A at 23a. Nor is it significant, as Smack suggests, that respondents do not license shirts glorifying alcohol consumption, nudity, and sexual promiscuity. Pet. at 18. *See Dallas Cowboys*

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[5] Respondents disagree with petitioners' misleading statements that "Smack does nothing to suggest that its t-shirts are licensed or approved by the schools" (Pet. at 4) and "Smack . . . did nothing to suggest that its t-shirts were endorsed or approved by the schools" (Pet. at 5).

Cheerleaders Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 204 (2d Cir. 1979) (rejecting argument that "no reasonable person would believe that [depraved] film originated with plaintiff" because "to be confused, a consumer need not believe that the owner of the mark actually produced the item and placed it on the market"). In fact, petitioners' "use of irreverent phrases or slang comments misuses [respondents'] reputation and good will, which is embodied in their trademarks." 438 F. Supp. 2d at 660; Pet. App. B at 62a (citing *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir. 1976) ("[T]hose who invest time, money and energy in the development of good will and a favorable reputation [should] be allowed to reap the advantages of their investment.")). Nor is it the case that petitioner's two-and-one-half inch logo distinguishes petitioners' shirts or cures consumer confusion. Pet. at 3-4. In fact, there is no "evidence that [petitioners'] logo is recognizable by consumers" and, because respondents "require all licensed products to contain the licensee's name, ... a consumer could believe that Smack's logo merely indicated that it was a licensee." 550 F.3d at 482-83; Pet. App. A at 27-28a. Finally, it is not true that "[t]here was no evidence of actual confusion." Pet. at 14. Rather, the record contains actual-confusion evidence. Petitioners conceded that consumers specifically asked whether petitioners' shirts were licensed. 550 F.3d at 483 n.69; Pet. App. A at 29a n.69. Consumer surveys concerning two of the t-shirt designs showed significant likelihood of confusion. *Id.* And at the trial on damages, the jury found actual confusion. More fundamentally, actual confusion is unnecessary to demonstrate infringement, which hinges on a *likelihood* of confusion. *Id.* at 483, 28a; *see also Brookfield*

Commc'ns., Inc. v. West Coast, Entm't Corp., 174 F.3d 1036, 1050 (9th Cir. 1999); 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:12 (4th ed. 2009) (hereinafter MCCARTHY) (collecting cases).

A. District Court Ruling

Respondents brought this action in June 2004, in the United States District Court for the Eastern District of Louisiana, alleging, *inter alia*, that the sale of these t-shirts by petitioners constitutes trademark infringement and dilution, unfair competition, and deceptive trade practices arising under the Lanham Act, 15 U.S.C. § 1051 *et seq.*; the Louisiana Unfair Trade Practices and Consumer Protection Law, LA. REV. STAT. ANN. 51:1401 *et seq.*; the Louisiana Trademark Law, LA. REV. STAT. ANN. 51:211 *et seq.*; the deceptive trade practices statutes and trademark and antidilution laws of the several states; and the common law. 438 F. Supp. 2d at 656; Pet. App. B at 52a.[6]

On cross-motions for summary judgment on liability, and following summary-judgment hearings, the district court granted summary judgment on liability in respondents' favor. The district court's summary judgment held: (1) the Universities' color schemes not

[6] The Louisiana Unfair Trade Practices Act and the common law of the various states in which petitioners sell their t-shirts provide "independent and adequate state law grounds," which make imprudent a writ of *certiorari*. *See generally* EUGENE GRESSMAN ET AL., SUPREME COURT PRACTICE: FOR PRACTICE IN THE SUPREME COURT OF THE UNITED STATES 207-14 (9th ed. 2007).

only had "secondary meaning" and were protectible, but were "extremely strong marks"; (2) petitioner infringed these marks and committed unfair competition by creating a "likelihood of confusion" among consumers; and (3) petitioner's proffered defenses of functionality, nominative fair use, and laches failed as a matter of law. 438 F. Supp. 2d at 656-63; Pet. App. B at 53-68a.

The summary judgment applied trademark principles well settled by this Court and the courts of appeals. In particular, the district court took great care to apply this Court's holdings that: "a color scheme may be protectible as a trademark if it 'identifies and distinguishes a particular brand (and thus indicates its 'source'),'" *id.* at 657, 54a (quoting *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 163-64 (1995)); and, to receive trademark protection, a color scheme must attain "secondary meaning" – *i.e.*, "'in the minds of the public, the primary significance of [the mark] is to identify the source of the product and not the product itself.'" *id.* (quoting *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211-12 (2000)). It also carefully tracked the Fifth Circuit's "digits of confusion" – noting their congruence with other courts of appeals' "likelihood of confusion factors" – and thoroughly considered and applied precedent from this Court and the courts of appeals concerning functionality, nominative fair use, and laches.

A two-day jury trial on damages followed. After the district court denied petitioners' motion for a judgment as a matter of law, the jury found: (1) petitioners' infringement caused actual confusion of the public; (2) respondents were entitled to actual damages

(a reasonable royalty) in the amount of $7,226.80; and (3) respondents were entitled to an award of petitioners' profits in the amount of $35,686.00.

After hearing motions on injunctive relief, enhancement of damages, and attorneys' fees, the district court permanently enjoined petitioners from "manufacturing, distributing, advertising, selling, or offering for sale any of the six designs found to be infringing in the court's July 18, 2006 summary judgment order or any other designs that are similar to the six infringing designs." The district court declined to award enhanced damages.

Judgment was entered on February 9, 2007, and amended on April 16, 2007, to award prejudgment interest to respondents in the amounts of $508.24 (LSU), $227.10 (OU), $412.41 (OSU), and $39.56 (USC). The district court taxed costs of $16,927.49 against petitioners on April 24, 2007. Attorneys' fees of $94,311.81 were awarded to respondent LSU under the Louisiana Unfair Trade Practices and Consumer Protection Law.

B. Court of Appeals Ruling

The Fifth Circuit unanimously affirmed the district court and denied petitioners' request for rehearing *en banc*. In a thorough opinion, Judge Reavley, writing for the Fifth Circuit, preempted each of petitioners' reasons for seeking a writ of *certiorari*.

Like the district court, the court of appeals meticulously followed this Court's precedent, reasoning,

inter alia, that "[b]ecause the [Supreme] Court recognizes that trademarks may include color, we see no reason to exclude color plus other identifying indicia from the realm of protectible marks provided the remaining requirements for protection are met." 550 F.3d at 476; Pet. App. A at 12a (citing *Qualitex*, 514 U.S. at 163-64, and applying *Samara Bros.*, 529 U.S. at 211, requiring a showing of "secondary meaning"). Concluding that respondents' marks were protectible, the appeals court reviewed the "likelihood of confusion" "digits" *de novo* and held:

> *[G]iven the record in this case* and the digits of confusion analysis discussed above—*including the overwhelming similarity between the [petitioners'] t-shirts and the Universities' licensed products, and the [petitioners'] admitted intent to create an association with the [respondents]* and to influence consumers in calling the [Universities] to mind—that the inescapable conclusion is that many consumers would likely be confused and believe that Smack's t-shirts were sponsored or endorsed by the Universities.

Id. at 485, 33a (emphasis added). Emphasizing the case-specific nature of its holding, the court of appeals thus unanimously rejected petitioners' contentions.

The Fifth Circuit further foresaw petitioners' present claim that two of its previous cases, *Boston Professional Hockey Association, Inc. v. Dallas Cap & Emblem Manufacturing, Inc.*, 510 F.2d 1004 (5th Cir.)

("*Boston Hockey*"), *cert. denied*, 423 U.S. 868 (1975), and *Supreme Assembly, Order of Rainbow for Girls v. J.H. Ray Jewelry Co.*, 676 F.2d 1079 (5th Cir. 1982) ("*Rainbow for Girls*"), were inconsistently decided. Detailing each case's holding, the court explained that, while the fraternal organization's jewelry designs in *Rainbow for Girls* lacked secondary meaning among consumers and had no history of licensing or trademark enforcement, the professional hockey team emblems in *Boston Hockey* exclusively were associated with the hockey-team trademark owners in consumers' minds and, thus, warranted protection. *Id.* at 484-85, 31-34a.

Anticipating petitioners' "aesthetic functionality" reason for seeking *certiorari*, the Fifth Circuit discussed at length the history of the "aesthetic functionality" doctrine, noting in particular the Ninth Circuit's holding in *Au-tomotive Gold*, 457 F.3d at 1074 ("the fact that a trademark is desirable does not, and should not, render it unprotectible"), which further solidified the unanimity among courts of appeals in rejecting that doctrine. 550 F.3d at 488; Pet. App. A at 39a.

Finally, predicting petitioners' "nominative fair use" contention, the Fifth Circuit carefully detailed the proper application of that doctrine. Specifically, the court noted that "a court ordinarily should consider a nominative fair use claim in conjunction with its likelihood-of-confusion analysis. . . ." *Id.* at 489, 42a. Even assuming *arguendo* petitioners' claim that the district court considered nominative fair use *after* its likelihood-of-confusion conclusion, the Fifth Circuit observed that it has "declined to require any particular method for

the consideration in cases where the nominative use is not a significant factor in the liability determination." *Id.*

Provided the Fifth Circuit's extremely well reasoned and unanimous opinion, which, at every turn, emphasized its reliance on well established trademark principles and detailed the case-specific nature of its holdings, this Court should deny the petition.

REASONS FOR DENYING THE PETITION

Petitioners offer no compelling reason for this Court's review. The petition itself is devoted almost entirely to discussing the facts, narrow reasoning, and industry-specific (rather than broad jurisprudential) implications of this case. And two of the four questions it presents to this Court concern whether the Fifth Circuit properly followed its own precedent, *not* a proposed split in authority between courts of appeals or a federal question of substantial importance. Beyond that, the petition merely disagrees with longstanding and well-established principles of trademark law, decided by this Court and the courts of appeals.[7]

The protectibility of colors as trademarks is well-established, *Qualitex*, 514 U.S. at 166; and respondents' trademarks, consisting of color combinations, fall well within this ambit of protection. The courts below neither erred in reaching this case-specific conclusion nor in

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[7] *See* S. Ct. R. 10 ("A petition for a writ of certiorari is rarely granted when the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law.").

applying the Fifth Circuit's own precedent regarding the likelihood-of-confusion analysis or nominative-fair-use defense. Moreover, whether a court of appeals correctly applied its own precedent is *not* an issue appropriate for *certiorari*. *See* GRESSMAN, *supra* n.6, at 253-54.

The Fifth Circuit's decision in this case also does not create a conflict among courts of appeals. Indeed, from *Boston Hockey*, *cert. denied*, 423 U.S. 868 (1975), to *International Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912 (9th Cir. 1980), *cert. denied*, 452 U.S. 941 (1981) – the central cases petitioners cite as creating a split in authority – through more recent cases such as *Au-tomotive Gold*, 457 F.3d at 1072, *cert. denied*, 549 U.S. 1282 (2007), this Court consistently has denied *certiorari* on this issue. Moreover, the Fifth Circuit's decision in *Rainbow for Girls*, a case relied upon heavily by petitioners, demonstrates the consistency between the Fifth and Ninth Circuits; that case reached the same conclusion of non-infringement as the Ninth Circuit in *Job's Daughters*—both cases concerning fraternal organizations' attempts to stop the use of their marks on jewelry. Perhaps most fundamentally, petitioners' reliance on the Ninth Circuit's 1980 *Job's Daughters* decision is extremely misleading, as the Ninth Circuit subsequently rejected the doctrine of aesthetic functionality and favorably discussed *Boston Hockey*. *See Clicks Billiards*, 251 F.3d at 1260; and *Au-tomotive Gold*, 457 F.3d at 1072. Failing to mention either of these Ninth Circuit decisions, petitioners attempt to engineer a disagreement among circuits where none exists. For these reasons and those discussed in greater detail below, this Court should deny the petition.

A. The Court of Appeals' Rulings on the Protectibility of Respondents' Color Schemes and Likelihood of Confusion Do Not Raise Important or Unsettled Questions of Federal Law.

The decision in this case rests on firmly established trademark principles, including the ability of colors to serve as trademarks, the source-identifying function of all trademarks, and the Lanham Act's dual interests in protecting consumers and trademark owners. Contrary to petitioners' contentions, this case does not involve "issues of first impression" or unsettled federal questions of law of substantial importance. Pet. at 32-33, 37-38.

"A trademark is a word, name, symbol, device, or other designation, or a combination of such designations, that is distinctive of a person's goods or services and that is used in a manner that identifies those goods or services and distinguishes them from the goods or services of others." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995). The subject matter of a trademark is virtually unlimited. *Id.* cmt. g.

> A trademark can consist of almost any conceivable subject matter, from a word, personal name, trade name, symbol, device, picture, design, numeral, escutcheon, monogram, abbreviation, acronym, slogan, phrase, newspaper or magazine column title, fragrance, color (pink for insulation), a sound combination (the NBC chimes of yesteryear), label, container (the Coca-Cola bottle), package, product shape (LifeSaver candy),

> building shape, telephone number, geographical name, grade designation, or any combination of these.

1 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 1.02[1][a] (2008) (internal citations omitted). *See also Qualitex*, 514 U.S. at 161 (holding that a single color may be protected as a trademark).

All trademarks "function" to identify a product's source, sponsorship or affiliation, *Mishawaka Rubber & Woolen Manufacturing Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942); and source, sponsorship, and affiliation are co-equals under the Lanham Act. *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1122 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 543 (5th Cir. 1998) ("The touchstone of infringement is whether the use creates a likelihood of confusion as to the 'source, affiliation, or sponsorship' [of the goods or services at issue]."); *Prof'l Golfers Ass'n of Am. v. Bankers Life & Cas. Co.*, 514 F.2d 665, 670 (5th Cir. 1975) (The Lanham Act specifically prohibits "falsely suggesting affiliation with the trademark owner in a manner likely to cause confusion as to source or sponsorship. . .").

A color scheme is a trademark when consumers associate it with a particular source, sponsorship, or affiliation. *E.g., Qualitex Co.*, 514 U.S. at 166 (green-gold press pads); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1206 (9th Cir. 2000) (white, green, and yellow color scheme on website); *Transp., Inc. v. Mayflower Servs., Inc.*, 769 F.2d 952, 955 (4th Cir. 1985) (red and black color scheme on taxicabs); *Ideal Toy Corp.*

v. Plawner Toy Mfg. Corp., 685 F.2d 78, 80 n.3, 81 (3d Cir. 1982) (six primary colors on faces of Rubik's Cube puzzle protected against imitator). A trademark, thus, is a merchant's:

> authentic seal; by it he vouches for the goods which bear it . . . . If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even [if] the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask.

Yale Elec. Corp., 26 F.2d at 974 (Learned Hand, J.). Trademark law "encourage[s] the production of quality products" and assures a trademark owner that "it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product." *Qualitex Co.*, 514 U.S. at 164 (internal quotation marks and citations omitted); *see also David Berg & Co. v. Gatto Int'l Trading Co.*, 884 F.2d 306, 310 (7th Cir. 1989) (when a mark is infringed, "[w]hat truly is infringed is the public's right to be secure from confusion and the corresponding right of each trademark's owner to control its own product's reputation.").

Two "amaranthine principles" animate trademark law: "One aims at protecting consumers. The other focuses on protecting [trademark owners] and their assignees." *Societe Des Produits Nestle, S.A. v. Casa Helvetia, Inc.*, 982 F.2d 633, 636 (1st Cir. 1992). Restated,

trademark law's dual purpose is to "secure to the owner of [a] mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774 (1992) (rejecting contention that protecting trademark rights in a design has anticompetitive effects on the market). Indeed, in addition to remedying consumer confusion, Congress had in mind in enacting the Lanham Act that "where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats." S. Rep. No. 79-1333, at 3 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274 (quoted in *Two Pesos*, 505 U.S. at 782). Thus, contrary to petitioners' contention that an owner's control of its trademark is anti-competitive, such control is essential to incentivizing investment in a mark and the maintenance of quality consumers associate with the mark. Petitioners' actions transgress the fundamental trademark protections of owners and consumers by intentionally trading on the Universities' goodwill with the knowledge that doing so deceptively entices consumers to buy petitioners' shirts rather than properly licensed ones.

Concomitantly, trademark law protects equally a direct source, such as a manufacturer, and a secondary source, such as a licensor who has granted to another permission to use his mark on a particular product. *E.g.*, RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. c (1995). When used to identify a secondary source, a trademark "signif[ies] that the goods or services are sponsored or approved by a particular business." *Id.*

"For example, the name or logo of a university on clothing can signify that the university authorizes, endorses and licenses the sale of such wearing apparel by the manufacturer." 1 McCarthy § 3:4. *See also Univ. of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1547 n.28 (11th Cir. 1985) ("[M]embers of the public *do* assume that products bearing the mark of a school or sports team are sponsored or licensed by the school or team"); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204-05 (2d Cir. 1979) (upholding trademark rights in colors and design of Dallas Cowboys Cheerleaders' uniforms); *Nat'l Football League Props. Inc. v. Wichita Falls Sportswear, Inc.*, 532 F. Supp. 651, 659 (W.D. Wash. 1982) ("Trademark law does not just protect the producers of products. The creation of confusion as to sponsorship of products is also actionable.").

In the context, for example, of a trademark infringement action brought by the University of Pittsburgh against the t-shirt manufacturer Champion, the Third Circuit explained:

> [A] consumer does not desire a 'Champion' T-shirt, he (or she) desires a 'Pitt' T-shirt. The entire impetus for the sale is the consumer's desire to identify with Pitt, or, perhaps more realistically, with Pitt's successful athletic programs. . . . [T]he crucial element is consumer desire to associate with the entity whose imprint is reproduced. This desire is based on success or notoriety which, in turn, is a result of the efforts of that entity.

Univ. of Pittsburgh v. Champion Prods., Inc., 686 F.2d 1040, 1047, 1049 (3d Cir.), *cert. denied*, 459 U.S. 1087 (1982).

As both the district court and the Fifth Circuit in this case correctly recognized, petitioners admitted that consumers buy t-shirts featuring the Universities' color schemes in combination with other identifying indicia to show their affiliation with the Universities. As a result, petitioners conceded the key issues in this case.

1. The Protectibility of Respondents' Color Schemes Is Well Established.

Contrary to petitioners' argument, the idea that color schemes are protectible as trademarks is *not* a novel proposition or an issue of "first impression." *See* Pet. at 14-15, 31-32. Rather, the protectibility of color schemes was established even before this Court's decision in *Qualitex*, 514 U.S. at 166 (holding that "color alone" can be protected as a trademark). *See, e.g., Transp., Inc.*, 769 F.2d at 955 (red and black color scheme on taxicabs held protectible); *Ideal Toy Corp.*, 685 F.2d at 81 (holding color scheme on Rubik's Cube puzzle protected as a trademark); *In re Owens-Corning Fiberglass Corp.*, 774 F.2d 1116, 1128 (Fed. Cir. 1985) (color pink on fiberglass insulation held protectible). And this Court unequivocally has held that color schemes are protectible trademarks when they have acquired "secondary meaning" and are non-functional. *Samara Bros.*, 529 U.S. at 211-12.

A color scheme achieves "secondary meaning" when, "in the minds of the public, the primary significance of

[the mark] is to identify the source of the product rather than the product itself." *Id.* (internal quotation marks omitted). It is black-letter law that a color mark has secondary meaning when it identifies a single source in consumers' minds. *Qualitex*, 514 U.S. at 164. Petitioners thus concede secondary meaning by admitting that, for over a century, the "Universities have been using their color schemes along with other indicia to identify and distinguish themselves from others" (550 F.3d at 476; Pet. App. A at 14a), and that respondents' colors are well known among consumers "as a shorthand nonverbal visual means of identifying the universities" (*id.* (internal quotation marks omitted)).

The courts below correctly rejected petitioners' assertion that the Universities' color schemes could not constitute trademarks because respondents had entered too many license agreements and, thus, diminished the ability of the marks to signify a single source. Pet. at 15-16. As noted, trademarks identify not only direct sources, such as manufacturers, but also secondary sources, such as licensors and sponsors. *E.g.*, *Dallas Cowboys Cheerleaders, Inc.*, 604 F.2d at 204-205 ("The public's belief that the mark's owner sponsored or otherwise approved the use of the trademark satisfies the confusion requirement."); McCarthy § 3:4; Restatement § 9 cmt. c. And to be protectible, a mark is not required to signify only "origin" or "source" to consumers, but alternatively may signify sponsorship, endorsement, or affiliation. *See* 15 U.S.C. § 1125(a)(1)(A) (2006) (proscribing likelihood of confusion as to "affiliation, connection, or association, . . . or as to . . . origin, sponsorship, or approval"); *see also Team Tires Plus, Ltd. v. Tires Plus,*

Inc., 394 F.3d 831, 835 (10th Cir. 2005) ("[T]he relevant confusion under trademark law is not limited to confusion of consumers as to the source of the goods, but also includes confusion as to sponsorship or affiliation . . . ."); *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 216, 57 U.S.P.Q.2d 1097, 1107 (3d Cir. 2000) ("Marks are 'confusingly similar if ordinary consumers would likely conclude that [the two products] share a common source, affiliation, connection or sponsorship.'"); *Prof'l Golfers Ass'n*, 514 F.2d at 670 (enjoining former licensee from misleading public into believing affiliation continued after license expired).

The Universities' licensing programs thus demonstrate the strength, not weakness, of their marks. And the fact that hundreds of other apparel manufacturers, situated similarly to petitioners, have acquired licenses from respondents to use the Universities' colors and other trademarks demonstrates the *strength* of these trademarks. *Ky. Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 387 (5th Cir. 1977) (control over licensees' use of an owner's mark demonstrates strength in a mark).

In short, Petitioners' "protectibility of color schemes" and "secondary meaning" arguments do not warrant a writ of *certiorari*.

2. The Fifth Circuit Properly Followed Its Own Precedent in Conducting Its Likelihood of Confusion Analysis.

Petitioners attempt to concoct a substantial question of federal law by asserting that two previous Fifth Circuit decisions are inconsistent with one another and that, on this basis, the court misapplied the likelihood-of-confusion analysis. Pet. at 20-22.[8] Petitioners are wrong on both counts. But even if petitioners were correct, an *intra*-circuit disagreement is not a proper basis for granting a writ of *certiorari*. *E.g.*, GRESSMAN, *supra* n.6, at 253-54.

Likelihood of confusion is an extremely case-specific determination. *See, e.g., A & H Sportswear Co. v. Victoria's Secret Stores, Inc.*, 166 F.3d 197, 206-207 (3d Cir. 1999) (likelihood of confusion ultimately depends on circumstances of particular case and "inference[s] drawn from the totality of relevant facts"). To determine infringement, the courts of appeals have developed highly similar likelihood-of-confusion "factors" or

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[8] In its final pages, the petition also references two of this Court's decisions to assert that this case presents a substantial question. Pet. at 33-34. Neither decision previously has been cited in this case, and neither is relevant. *Mosely v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003) concerned trademark *dilution*, not infringement or likelihood of confusion. And *Dastar Corporation v. Twentieth Century Fox Film Corporation*, 539 U.S. 23, 35-37 (2003), concerned the boundary between copyright and trademark law and the definition of the term "origin" in the Lanham Act in relation to "author" in the Copyright Act, *not* any issue presented in this case.

"digits."[9] Both because every case involves unique mark(s) and circumstances, and because courts agree that "[n]o one factor is dispositive," a likelihood-of-confusion determination is extremely case-specific. *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 194 (5th Cir. 1998) ("a finding of a likelihood of confusion does not even require a positive finding on a majority of the[] 'digits of confusion'").

Petitioners appear to suggest that the Fifth Circuit, confused by its own holdings in *Boston Hockey* and *Rainbow for Girls*, erred in finding likelihood of confusion in this case. Pet. at 20-22. Specifically, petitioners contend that *Boston Hockey* was wrongly decided and that the present case is more like *Rainbow for Girls* (which found no infringement). *Id.* Both contentions are wrong.

First, this Court denied *certiorari* in *Boston Hockey*, 423 U.S. 868, which held that the defendant, who manufactured and sold unlicensed professional hockey team emblems bearing plaintiffs' trademarks, caused a likelihood of confusion among consumers between the

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[9] *See, e.g., Sullivan v. CBS Corp.*, 385 F.3d 772, 776-77 (7th Cir. 2004 (seven factor test); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 663-64 (5th Cir. 2000) (eight "digits"); *Jellibeans, Inc. v. Skating Clubs of Ga., Inc.*, 715 F.2d 833 (11th Cir. 1983) (seven factor test); *Frisch's Rests. v. Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982) (eight factor test); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980) (six factor test); *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) (eight factor test); *Polaroid Corp. v. Polaroid Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir.) (seven factor test), *cert denied*, 368 U.S. 820 (1961).

unlicensed emblems and products licensed by plaintiffs. 510 F.2d at 1012. In particular, that case concluded likelihood of confusion existed because defendant made and sold emblems "knowing that the public would identify them as being the [plaintiff] teams' trademarks." *Id.*[10]

In *Rainbow for Girls*, the Fifth Circuit found no likelihood of confusion when the defendant sold jewelry bearing a fraternal organization's registered trademarks. 676 F.2d at 1084. Likelihood of confusion was lacking, *inter alia*, because the facts demonstrated plaintiff's failure to control the manufacturing of jewelry bearing its trademark; it did not, for example, have a history of requiring jewelry bearing its mark to be licensed. *Id.*

Consistent with the case-specific nature of likelihood-of-confusion determinations, the holdings of these two cases are not incongruent. In fact, as the Fifth Circuit in this case noted, *Rainbow for Girls* discussed *Boston Hockey* in recognizing that "[i]t is not unreasonable to conclude, given the degree to which sports emblems are

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[10] *Boston Hockey* has been criticized for appearing to find infringement without expressly finding likelihood of confusion. *See Job's Daughters*, 633 F.2d at 918; *Gen. Mills, Inc. v. Henry Regnery Co.*, 421 F. Supp. 359, 362 (N.D. Ill. 1976); MCCARTHY § 24:10. The Fifth Circuit since repeatedly has clarified that a likelihood of confusion is required for infringement. *See, e.g.*, *Rainbow for Girls.*, 676 F.2d at 1082 n.3; *Ky. Fried Chicken Corp.*, 549 F.2d at 388. In any event, in this case both the district court and court of appeals painstakingly analyzed all of the "digits" of confusion and found that a likelihood of confusion exists as a matter of law.

used to advertise teams and endorse products, that a consumer seeing the emblem . . . on or associated with a good or service would assume some sort of sponsorship or association between the product's seller and the team." *Id.* at 1085. Restated, under the facts in *Boston Hockey*, the defendant's intent and the widely acknowledged strength of the marks were the most salient likelihood-of-confusion factors in finding infringement; in *Rainbow for Girls*, the failure of the plaintiff to police its mark or the quality of goods bearing the mark, and the weakness of plaintiff's mark, proved most significant in finding no likelihood of confusion. *See* 550 F.3d 484-85; Pet. App. A at 32-33a.

Contrary to petitioners' argument, these holdings are not inconsistent and do not suggest that the Fifth Circuit misapplied its own likelihood-of-confusion analysis. Instead, the outcomes of *Boston Hockey* and *Rainbow for Girls* merely demonstrate the extremely case-specific nature of all likelihood-of-confusion inquiries. As in *Boston Hockey*, the petition should be denied.

B. The Court of Appeals' Rulings on Aesthetic Functionality and Nominative Fair Use Are Consistent with Other Courts of Appeals' Decisions and this Court's Precedent.

Petitioners next contend that this Court should review this case on the basis of two defenses petitioners have asserted, namely "aesthetic functionality"[11] and

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[11] "Aesthetic functionality" refers to the idea that "[c]onsumers sometimes buy products bearing marks such as (Cont'd)

"nominative fair use."[12] Specifically, petitioners claim that: (1) courts of appeals disagree over the viability of the doctrine of aesthetic functionality; and (2) the district court below misapplied the doctrine of nominative fair use by considering that defense after the likelihood-of-confusion analysis, rather than during it. Neither of these contentions is correct, and neither supports granting a writ of *certiorari*.

1. The Doctrine of Aesthetic Functionality Has Been Rejected, and No Split in Authority Exists On This Issue.

Petitioners contend "the Fifth Circuit's position (in *Boston Hockey*) is at odds with the position taken by the Ninth Circuit (in *Job's Daughters*)." Pet. at 33. No such disagreement exists.

In *Boston Hockey*, the Fifth Circuit first rejected the "aesthetic functionality" doctrine. 510 F.2d at 1013 ("[T]he embroidered symbols [at issue] are sold not because of any such aesthetic characteristic but because they are the trademarks of hockey teams"), *cert. denied*, 423 U.S. 868 (1975). It subsequently has re-affirmed this

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the Nike swoosh, the Playboy bunny ears, the Mercedes tri-point star, the Ferrari stallion, and countless sports franchise logos, for the appeal of the mark itself, without regard to whether it signifies the origin or sponsorship of the product." *Au-tomotive Gold*, 457 F.3d at 1067.

[12] Nominative fair use refers to the use of a "trademark in a non-confusing way to identify the [trademark owner's] goods or services." McCarthy § 23:11.

ruling numerous times. *See Pebble Beach*, 155 F.3d. at 540 n.6 ("This circuit has rejected the doctrine of aesthetic functionality."); *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423, 426 n.3 (5th Cir. 1986) ("we thus reject . . . the aesthetic standard of functionality"); *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 428 (5th Cir. 1984) ("We particularly reject the suggestion that the doctrine of functionality insulates a second comer from liability for copying the first comer's design whenever the second comer can merely cite marketing reasons to justify the copying. . . .").

Over the years, other courts of appeals have agreed with the Fifth Circuit. *See, e.g., Eco Mfg. LLC v. Honeywell Int'l, Inc.*, 357 F.3d 649 (7th Cir. 2003) (rejecting contention that consumers preferred "look" of round thermostat); *L.D. Kichler Co.*, 192 F.3d at 1353 (Federal Circuit reversing district court's aesthetic functionality determination for the color of lighting fixtures; "Mere taste or preference cannot render a color – unless it is 'the best, or at least one, of a few superior designs' – de jure functional."); *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir. 1995) (decorative motif on sweater not aesthetically functional); *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 34 (1st Cir. 1989) (adopting *Boston Hockey*; finding infringement where consumers purchased defendant's t-shirts "precisely because of th[e] reference [to

plaintiff's mark]"); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 982 n.27 (11th Cir. 1983) (rejecting defendant's contention that district court must give aesthetic functionality jury instruction); *Univ. of Pittsburgh*, 686 F.2d at 1049 (demand for goods bearing popular mark "due not to the efforts of [defendant] but rather to the efforts of the school, team, movie producer, musical group, [or entity] . . . whose current popularity makes that imprint desirable").

In *Job's Daughters*, the Ninth Circuit took issue with the plaintiff-appellee's unduly broad reading of *Boston Hockey*: "[Plaintiff] asserts that *Boston Hockey* supports its contention that even purely functional use of a trademark violates the Lanham Act. We reject the reasoning of *Boston Hockey*." 633 F.2d at 918. Understanding likelihood of confusion to be the central concern of trademark law, *Job's Daughters* reasoned that, "[i]nterpreted expansively, *Boston Hockey* holds that a trademark's owner has a complete monopoly over its use, including its functional use, in commercial merchandising." *Id.* Thus, by reading *Boston Hockey* beyond the four corners of its holding – indeed, beyond the Fifth Circuit's own interpretation of that case[13] – the Ninth Circuit, nearly thirty years ago in 1980, suggested a possible circuit split on this issue.

Since then, however, the Ninth Circuit has retreated from its position on aesthetic functionality, and the Fifth Circuit repeatedly has reaffirmed that trademark rights

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[13] *See, e.g., Rainbow for Girls.*, 676 F.2d at 1082 n.3 (reaffirming that infringement requires showing of likelihood of confusion); *Ky. Fried Chicken Corp.*, 549 F.2d at 388 (same).

do not confer unbridled monopolization – thus obviating any conceivable split among the circuits. Indeed, *Rainbow for Girls*, a case heavily relied upon by petitioners, demonstrates the harmony of the Fifth and Ninth Circuits on this issue. 676 F.2d at 1082-85 (reaching same conclusion of non-infringement as the Ninth Circuit in *Job's Daughters*, both cases concerning fraternal organizations' attempt to control use of their marks on jewelry).

Beginning in 1981, the Ninth Circuit rejected a district court's conclusion that "any feature of a product which contributes to the consumer appeal and saleability of the product is, as a matter of law, a functional element of that product." *Vuitton et Fils S.A. v. J. Young Enters., Inc.*, 644 F.2d 769, 773 (9th Cir. 1981) (internal quotation marks omitted). Subsequently, the court stated that, in the Ninth Circuit, "the 'aesthetic' functionality test has been limited, if not rejected, in favor of the 'utilitarian' functionality test." *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1382 n.3 (9th Cir. 1987) (internal citations omitted); *see also Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1326 n.5 (9th Cir. 1998) (discussing favorably *Boston Hockey*). By 2001, the Ninth Circuit plainly stated, "[n]or has this circuit adopted the 'aesthetic functionality' theory, that is, the notion that a purely aesthetic feature can be functional," *Clicks Billiards*, 251 F.3d at 1260,[14] causing one commentator to remark: "That statement appears

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[14] *See also Cosmos Jewelry Ltd. v. Hung's Jewelry Inc.*, 61 U.S.P.Q.2d 1220, 1223-24 (D. Haw. 2001) (vacating prior order dismissing claim due to aesthetic functionality on the basis that *Clicks Billiards* rejected the aesthetic functionality theory).

to mark the final end of the Ninth Circuit's fifty year flirtation with the aesthetic functionality theory." McCarthy § 7.80 (internal quotation marks omitted).

After *Clicks Billiards*, the Ninth Circuit further mollified its past differences with other circuits when it refused to allow a maker of key chains and auto license plate holders to use the Volkswagen trademark on those items. *Au-Tomotive Gold*, 457 F.3d at 1072, *cert. denied*, 549 U.S. 1282 (2007). Coming full circle to the Fifth Circuit's holding in *Boston Hockey*, the Ninth Circuit in *Au-tomotive Gold* specifically rejected the argument that Volkswagen owners' aesthetic desire for automobile accessories that match their cars permitted defendant to use the Volkswagen trademark on such products. *Id.* The Ninth Circuit recognized that this logic (the same logic now urged by petitioners) "would be the death knell for trademark protection." *Id.* at 1064.

In this manner, whatever conflict in authority might have existed decades ago has been fully resolved by the courts of appeals. Federal courts consistently reject the doctrine of aesthetic functionality,[15] and contemporary

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[15] Petitioners' reference to *United States v. Giles*, 213 F.3d 1247, 1250-51 (10th Cir. 2000), does not evince a circuit split. The Tenth Circuit distinguished that case from *Boston Hockey* on several grounds, including: *Giles* was a criminal counterfeiting case, not a civil suit; *Boston Hockey* decided only the narrow issues of infringement and functionality; and the issue in *Giles* was the definition of the term "goods" *not* "aesthetic functionality." *Id.* Nor do the three district court decisions listed in note 4 of the petition (Pet. at 28) suggest a disagreement among courts of appeals. Those district court (Cont'd)

commentators do not view this as an issue warranting attention from this Court. *E.g.*, McCarthy § 7:81 ("'Aesthetic functionality' may be a theory in search of a rationale."). Petitioners' claimed conflicts among authorities derive not from real differences among federal courts but from petitioners' misleading omissions of the cases that demonstrate homogeneity.

Finally, even if the aesthetic functionality doctrine existed, this case would not involve it. The advantages petitioners assert for using respondents' trademarks are directly related to the Universities' reputations and goodwill, *not* to any function of the marks. 438 F. Supp. 2d at 662; Pet. App. B at 66a ("As [petitioners] admit, consumers purchase [petitioners'] shirts . . . to show support for the particular university. . . . [The Universities' color schemes and other identifying indicia] have no demonstrated value other than their significance to identify with the universities."). "Mere taste or preference cannot render a color – unless it is the best, or at least one, of a few superior designs – *de jure* functional." *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349, 1353 (Fed. Cir. 1999) (internal quotation

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(Cont'd)

cases are not aligned with courts of appeals' decisions. For example, although *University of Pittsburgh v. Champion Products, Inc.*, 566 F. Supp. 711 (W.D. Pa. 1983), questioned *Boston Hockey*, the Third Circuit in that case favorably quoted and discussed *Boston Hockey*, observing that, in the case at hand, a "consumer does not desire a 'Champion' T-shirt, he (or she) desires a 'Pitt' T-shirt. The entire impetus for the sale is the consumer's desire to identify with Pitt, or, perhaps more realistically, with Pitt's successful athletic programs." 686 F.2d at 1047.

marks omitted). The Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office recently emphasized this requirement that a use must be *non*-reputation related to give rise to functionality. *See Chicago Bears Football Club, Inc. v. 12th Man/ Tennessee LLC*, 2007 WL 683778, 83 U.S.P.Q.2d 1073, 1084 (T.T.A.B. Feb. 28, 2007) ("The mere fact that a trademark owner's mark is associated with a movie, television show, *university, or sports team* does not mean that it is functional and available for others to use to promote their goods when the trademark owner is actively licensing the mark for related items") (emphasis added).[16] And this Court repeatedly has iterated the same. *E.g.*, *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001) (functionality requires "significant non-reputation-related disadvantage") (internal quotation marks omitted); *Qualitex*, 514 U.S. at 169 (functionality doctrine protects against disadvantage "unrelated to recognition or reputation").

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[16] Petitioners' underlying argument is that the purpose of its t-shirts is to express the views of the wearer rather than to serve as an article of clothing. But the application of the functionality doctrine is not the appropriate means for analyzing expression. As the Eighth Circuit has explained: "The functionality doctrine serves as a buffer between patent law and trademark law by preventing a competitor from monopolizing a useful product feature in the guise of identifying itself as the source of the product." *Home Builders Ass'n of Greater St. Louis v. L & L Exhibition Mgmt., Inc.*, 226 F.3d 944, 948 (8th Cir. 2000). Free speech rights are well-recognized in trademark law through, for example, protections for comparative advertising, news reporting, parody, and noncommercial uses of marks. Petitioners' uses of respondents' marks fit none of these categories.

2. Petitioners' Nominative Fair Use Contention Does Not Support a Writ of *Certiorari*.

Petitioners' argument that the district court in this case misapplied the *sequence* of the "nominative fair use doctrine" and the "likelihood of confusion" factors is a garden variety claim of error, not a basis for granting *certiorari*. *E.g.*, GRESSMAN, *supra* n.6, at 276-77. Like petitioners' likelihood-of-confusion contention, *supra* at 20, even if petitioners were correct in their error claim (which they are not), the Fifth Circuit's review of its own precedent is not a proper issue for a writ of *certiorari*. *See* GRESSMAN, *supra* n.6, at 253-54.

Nominative fair use "is an alternative method for analyzing if there is the kind of likelihood of confusion that constitutes trademark infringement." MCCARTHY § 23:11. It allows "one [to] use another's mark truthfully to identify another's goods or services in order to describe or compare its product to the markholder's product." *Pebble Beach*, 155 F.3d at 545. *See also Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) (Holmes, J.) ("When the mark is used *in a way that does not deceive the public* we see no such sanctity in the word as to prevent its being used to tell the truth.") (emphasis added); *New Kids on the Block v. News Am. Publ'g., Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (nominative fair use requires, *inter alia*, using only as much of the mark "as is reasonably necessary to identify the product or service" and "the user must do nothing that would,

in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder").[17]

Because the essence of nominative fair use is that "the mark is used only to describe the thing, rather than to identify its source," *id.* at 306, any rationale for its application is undermined by a clear intent to use another's mark for profit or to "free ride." In this case, petitioners'

> use of the Universities' colors and indicia is designed to create the illusion of affiliation with the Universities and essentially obtain a 'free ride' by profiting from confusion among the fans of the Universities' football teams who desire to show support for and affiliation with those teams.

550 F.3d at 483-84; Pet. App. A at 30a (citing *Boston Athletic Ass'n*, 867 F.2d at 33 ("Defendants' shirts are clearly designed to take advantage of the Boston Marathon and to benefit from the good will associated with its promotion by plaintiffs. Defendants thus obtain a 'free ride' at plaintiffs' expense.")). Because petitioners used the Universities' color schemes and indicia not merely to describe or compare petitioners' unlicensed shirts with respondents' licensed ones, but instead to suggest an association or affiliation with the Universities, the nominative fair use defense does not apply. *Id.* at 489, 42-43a.

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[17] Petitioners have asserted the nominative fair use doctrine in this case, *not* the statutory fair use provided in the Lanham Act, 15 U.S.C. § 1115 (2006).

CONCLUSION

This case neither raises substantial questions of unsettled federal law nor conflicts with any precedent of other courts of appeals or of this Court. Petitioners' attempts to exaggerate the importance of the issues raised in this case about six t-shirts are not persuasive. And petitioners' asserted conflicts among authorities arise not from actual disagreements among courts of appeals but from petitioners' omissions of cases demonstrating consistency across the federal courts.

The case-specific holdings reached by the courts below were based on a detailed analysis of the particular facts in the record, in keeping with the authority set forth by this Court and by the various courts of appeals. For all of these reasons, this Court should deny the petition for a writ of *certiorari*.

Respectfully submitted,

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APPENDIX

APPENDIX A

(1) "Bourbon Street or Bust" / "Show Us Your Beads" (Sold to OU fans):

front

back

Appendix A

(2) "Beat SoCal" (Sold to Ohio State fans):

Appendix A

(3) "Beat Oklahoma" (Sold to LSU fans):

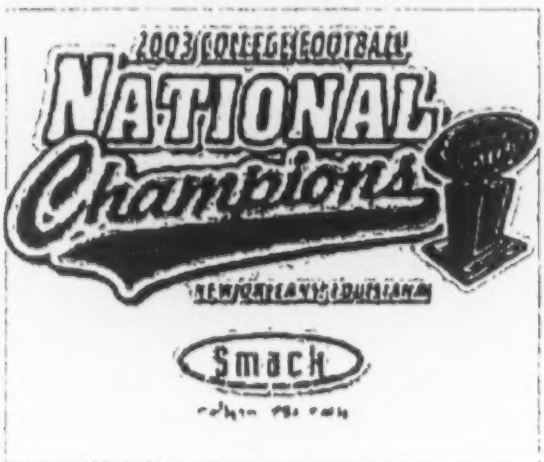
Front

Back

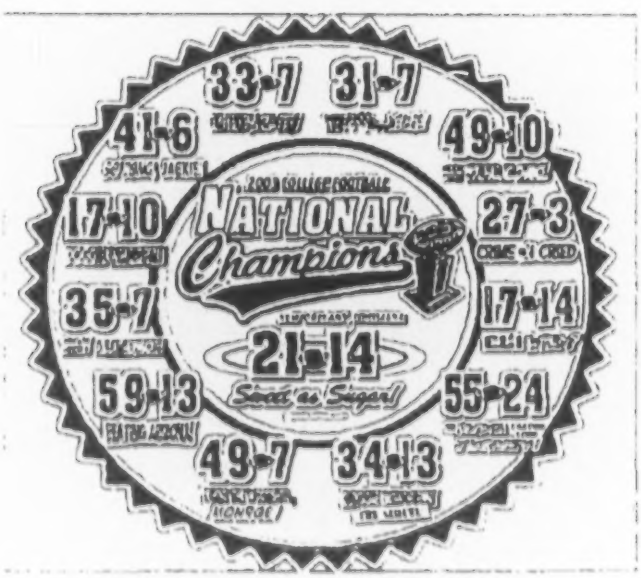
Appendix A

(4) "Sweet as Sugar"/"Sundial" (Sold to LSU fans)

Front

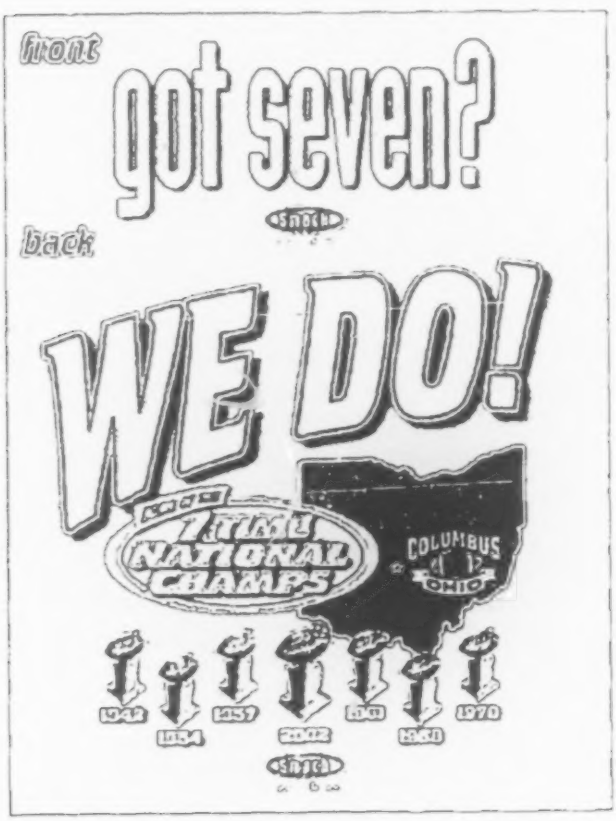


Back



Appendix A

(5) "Got Seven?" (Sold to Ohio State fans)



Appendix A

(6) "Got Eight?" (Sold to USC fans)

30

(3)

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SUPREME COURT, U.S.

No. 08-1197

In The Supreme Court of the United States

SMACK APPAREL COMPANY AND WAYNE CURTISS,
Petitioners,

v.

BOARD OF SUPERVISORS OF THE LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, OHIO STATE UNIVERISTY, UNIVERSITY OF SOUTHERN CALIFORNIA, AND THE COLLEGIATE LICENSING COMPANY,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

PETITIONERS' REPLY BRIEF

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REPLY BRIEF FOR PETITIONERS

As the petition demonstrated, the Fifth Circuit's decision to affirm the District Court's summary judgment determination that petitioners' t-shirts were infringing warrants review: (1) because this case raises an important issue as to whether so-called "identification products" are infringing merely because consumers purchase them to identify or identify with the complaining party, or whether infringement requires real likelihood of confusion as to product source; and (2) because the Fifth Circuit's rejection of aesthetic functionality is at odds with decisions of this Court and other United States courts of appeal.

1. The Decision Below Represents A Significant Interpretation of Trademark Law That Should Be Reviewed by This Court.

Respondents contend that this is an unexceptional trademark infringement suit that applies long standing principles of trademark law. Opp. 2. However, immediately following the District Court's summary judgment ruling respondents' counsel issued a press release which stated that the summary judgment decision was "a significant ruling that establishes an important precedent" and "a landmark decision" that is "important in that few courts . . . have ever directly addressed the issue of color schemes as stand-alone trademarks." USCA5 2265. Also, as noted previously, amicus briefs were filed in the Fifth Circuit by four professional sports organizations and twenty eight universities. Pet. 32-33. The collegiate licensing industry has experienced exponential revenue growth, today topping $3 billion in annual

merchandise sales. *Id.* The decisions below have granted a *de facto* monopoly in this lucrative industry to respondents and other universities.

The significance of the issues in this case extends beyond the collegiate licensing industry and the six t-shirts at issue in this case. The principles which govern this case apply with equal force to jewelry, toys, caps, pennants, and glassware through which consumers display their affections and loyalties for their favorite athletic teams, rock stars, fraternities, colleges, cartoon strips, movies, or television series.

2. The Decision Below Improperly Diminishes the Importance of Consumer Confusion in Trademark Cases Involving "Identification" Marks and Promotional Licensing.

The decisions below, like *Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir.1975) and its progeny, have effectively abandoned the likelihood of confusion requirement and have adopted a *per se* rule of infringement in cases involving promotional, or "identification" marks. Application of the "per se" rule of infringement for promotional or identification marks expands the concept of "infringement" in a way that favors trademark owners and has the effect of creating exclusive property rights in promotional trademarks. The *Boston Professional Hockey* court acknowledged that its decision "may slightly tilt the trademark laws from the purpose of protecting the public to the protection of the business interests of plaintiffs ...." 510 F.2d at 1011. It is appropriate that this Court

determine whether such an evolution in trademark law is both conceptually correct and legally sound.

Respondents cite the First Circuit's decision in *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 9 U.S.P.Q.2d 1690 (1st Cir. 1989) to illustrate the "longstanding principles of trademark law" applied by the court below.[1] Opp. 28, 35. In *Sullivan*, the First Circuit created a rebuttable presumption that purchasers are likely to be confused into thinking that the defendant's promotional goods were produced, licensed, sponsored, or endorsed by the producers of an athletic event. This presumption was said to be triggered by proof that: (1) Defendant intentionally used the mark as a means of establishing a link in consumers' minds with the plaintiff's show or event; and (2) purchasers are likely to buy the promotional goods because of that reference to plaintiff's show or event. The court said that there was no need for plaintiff to prove that purchasers will be actually confused into believing that defendant's goods are officially sponsored by the producer or sponsor of the event.

However, in 1991 the First Circuit receded from *Sullivan*, stating as follows:

> In our view, the cases BAA cites, and *Sullivan* in particular, do not govern the outcome of this case. Nor can we find a likelihood of any

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[1] Professor McCarthy discusses the First Circuit's decision in *Sullivan* and *Boston Professional Hockey* in a section entitled "Outer Limits - Decisions That Step Over the Line". 4 McCarthy on Trademarks, § 24:10 (4th ed.)

relevant confusion here. First, the *Sullivan* opinion, taken as a whole, makes clear that the court, in using the language appellants cite, referring to a "free ride," and taking "advantage" of another's good will, did not intend to depart from ordinary principles of federal trademark law that make a finding of a "likelihood of confusion" essential to a conclusion of "violation." As a general matter, the law *sometimes* protects investors from the "free riding" of others; and *sometimes* it does not. The law, for example, gives inventors a "property right" in certain inventions for a limited period of time; *see* 35 U.S.C. §§ 101 *et seq.;* it provides copyright protection for authors; *see* 17 U.S.C. §§ 101 *et seq.;* it offers certain protections to trade secrets. *See generally* 2 J. McCarthy § 29.16. But, the man who clears a swamp, the developer of a neighborhood, the academic scientist, the school teacher, and millions of others, each day create "value" (over and above what they are paid) that the law permits others to receive without charge. Just how, when and where the law should protect investments in "intangible" benefits or goods is a matter that legislators typically debate, embodying the results in specific statutes, or that common law courts, carefully weighing relevant competing interests, gradually work out over time. The trademark statute does not give the appellants any "property right" in their mark *except* "the right to prevent confusion." *See Quabaug Rubber Co.,*

567 F.2d at 160; 2 J. McCarthy § 23.1. And, nothing in *Sullivan* suggests the contrary.

WCVB-TV v. Boston Athletic Ass'n, 926 F.2d 42, 45 (1st Cir. 1991).

While the First Circuit has effectively limited the impact of the *per se* rule of infringement for which respondents cite *Sullivan*, the Fifth Circuit continues to apply *Boston Professional Hockey* to effectively confer "rights in gross" on trademark owners in a manner which has been uniformly rejected by other courts[2] and commentators[3] alike.

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[2] *Jordache Enters. v. Hogg Wyld, Ltd.*, 625 F. Supp. 48, 227 U.S.P.Q. 794 (D.N.M. 1985), aff'd, 828 F.2d 1482, 4 U.S.P.Q.2d 1216 (10th Cir. 1987) (non-confusing parody of a famous mark is not trademark infringement; owner of a famous mark "does not own in gross the penumbral customer awareness of its name, nor the fallout from its advertising"); *Blue Man Productions, Inc. v. Tarmann*, 75 U.S.P.Q.2d 1811, 2005 WL 2034544 (T.T.A.B. 2005) (Fame alone does not prove the likelihood of confusion: if it did, it would create a right in gross, which "is against the principles of trademark law."); *7-Eleven, Inc. v. Lawrence I. Wechsler*, 83 U.S.P.Q.2d 1715, n.2, 2007 WL 1431084 (T.T.A.B. 2007) (If the fame of a mark were the only controlling factor, such a mark would amount to a right in gross, "and that runs counter to the trademark laws.").

[3] 4 McCarthy on Trademarks, § 24:11 (4th ed.)

3. Review In This Case is Necessary to Provide Uniformity Among the Circuits Concerning the Doctrine of Aesthetic Functionality.

Respondents state that the doctrine of aesthetic functionality has been rejected, and no split in authority exists on this issue. Respondents state that "the divergence claimed by petitioners between the Fifth and Ninth Circuits on the issue of aesthetic functionality has been eliminated – to the extent it ever existed at all – by the more recent decisions in *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252 (9th Cir. 2001) and *Au-tomotive Gold, Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062 (9th Cir. 2006), *cert. denied*, 549 U.S. 1282 (2007), which petitioners fail even to mention." Op. 1.

Petitioners respectfully disagree. While this Court has yet to address aesthetic functionality as the dispositive issue in a case, this Court has outlined the general contours of functionality and aesthetic functionality. In *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 131 L. Ed. 2d 248, 115 S. Ct. 1300, 34 U.S.P.Q.2d 1161, 1165 (1995), Justice Breyer stated that:

> where color serves a significant non-trademark function – whether to distinguish a heart pill from a digestive medicine or to satisfy the "noble instinct for giving the right touch of beauty to common and necessary things" courts will examine whether its use as a mark would permit one competitor (or a group) to interfere with legitimate (nontrademark-related) competition through actual or potential

> exclusive use of an important product ingredient. That examination should not discourage firms from creating aesthetically pleasing mark designs, for it is open to their competitors to do the same.

In *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 120 S. Ct. 1339, 1344, 54 U.S.P.Q.2d 1065, 1069 (2000), concerning product design trade dress, Justice Scalia made two references to "esthetic" designs:

> Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness.

120 S. Ct. at 1344, and

> It is true, of course, that the person seeking to exclude new entrants would have to establish the non-functionality of the design feature, see § 43(a)(3), 15 U.S.C.A. § 1125(a)(3) (Oct.1999 Supp.)--a showing that may involve consideration of its esthetic appeal, see *Qualitex*, 514 U.S. at 170.

120 S. Ct. at 1345.

In *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 121 S. Ct. 1255, 58 U.S.P.Q.2d 1001 (2001), Justice Kennedy stated said that once a feature was determined to be functional under the traditional

engineering-drive rule, it was not proper to look into the competitive alternative designs available to see if rivals could do without this feature. However, the Justice then said that it *was* proper to make this enquiry into alternatives in cases of "aesthetic functionality," and that "aesthetic functionality was the central question" in the 1995 *Qualitex* case.

Far from being "rejected" by other federal courts, as respondents suggest, it is perhaps more accurate to state that aesthetic functionality has been applied unevenly in the lower courts. For example, some circuits have alternatively applied and rejected aesthetic functionality in different cases, or have attempted to formulate their own definition of aesthetic functionality.

Second Circuit - The Second Circuit has applied aesthetic functionality in what Professor McCarthy refers to as a "a much altered and redefined form".1 *McCarthy on Trademarks and Unfair Competition* § 7:80 (4th ed.). *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 16 U.S.P.Q.2d 1555 (2d Cir. 1990), cert. denied, 499 U.S. 976, 113 L. Ed. 2d 720, 111 S. Ct. 1622 (1991).

Third Circuit - Although the Third Circuit rejected aesthetic functionality in *American Greetings Corp. v. Dan-Dee Imports, Inc.*, 807 F.2d 1136, 1 U.S.P.Q.2d 1001 (3d Cir. 1986), it has on occasion mixed theories of both utilitarian and aesthetic functionality. *Standard Terry Mills, Inc. v. Shen Mfg. Co.*, 803 F.2d 778, 231 U.S.P.Q. 555 (3d Cir. 1986) ("windowpane check" pattern on a kitchen towel is "functional" as being a "favorite pattern for kitchen

textiles" and "compatible with contemporary kitchen decor").

Sixth Circuit - The Sixth Circuit has stated that: "[T]he precedent in this circuit suggests that aesthetic functionality will not preclude a finding of nonfunctionality where the design also indicates source." *Ferrari S.p.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 20 U.S.P.Q.2d 1001, 1011 (6th Cir. 1991), cert. denied, 505 U.S. 1219, 120 L. Ed. 2d 899, 112 S. Ct. 3028 (1992) However, later, the court, ignoring its own precedent, held that a vaguely defined trade dress in a style of clothing was unprotectable as being aesthetically functional. *Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc.*, 280 F.3d 619, 61 U.S.P.Q.2d 1769 (6th Cir. 2002) (plaintiff claimed trade dress in casual clothing with primary color combinations with solid, plaid and stripe designs made from all natural cotton, wool and twill fabrics).

Seventh Circuit - While the Seventh Circuit appeared to reject aesthetic functionality in *W.T. Rogers Co. v. Keene,* 778 F.2d 334 (7th Cir. 1985), later decisions from the Seventh Circuit have applied the doctrine. *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 10 U.S.P.Q.2d 1001 (7th Cir. 1989) (an exercise bicycle with the wheel in the front is "aesthetically functional" because the public "strongly prefers" the wheel in the front).

Ninth Circuit - A District Court in the Ninth Circuit stated in 2001 that aesthetic functionality "is essentially defunct in this circuit," *Gucci Timepieces Am., Inc. v. Yidah Watch Co.*, 47 U.S.P.Q.2d 1938, 1941, 1998 WL 650078 (C.D.Cal.1998) ("[T]he aesthetic

functionality test is essentially defunct in this circuit."). However, in 2006 the Ninth Circuit recognized that aesthetic functionality retains "some limited vitality" in the Ninth Circuit, including "product features that serve an aesthetic purpose wholly independent of any source-identifying function." *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*, 457 F.3d 1062, 1070, 1073 (9th Cir. 2006).

The doctrine of aesthetic functionality is also recognized by the Restatement Third, Unfair Competition § 17 (1995), as follows:

> A design is functional because of its aesthetic value only if it confers a significant benefit that cannot practically be duplicated by the use of alternative designs.

This case involves game day sports apparel in which unique color combinations allow fans to identify the team they support, and distinguish themselves from fans who wear the opposing team's colors. The role which color plays in this case is analogous to the example of a "significant non-trademark function" described by Justice Breyer in *Qualitex*: "to distinguish a heart pill from a digestive medicine." 514 U.S. at 170.

The District Court's findings demonstrate that the use of school colors to allow fans to identify themselves and distinguish opposing fans constitutes a significant non-trademark function that cannot practically be duplicated by the use of alternative designs:

> As defendants admit, consumers purchase shirts of the universities' color schemes, logos, and designs in order to show support for the particular university; there is no consumer demand without these identifying characteristics. They have no demonstrated value other than their significance to identify with the universities.

Pet. 66a.

The Fifth Circuit affirmed the District Court's finding that the school colors were not functional, stating as follows:

> The school colors and other indicia used here do not make the t-shirts "work." The t-shirts would function just as well as articles of clothing without the colors and designs.

Pet. 36a. This statement disregards the type of clothing which these six t-shirts represent. While the six t-shirts would "work" as articles of clothing without the school colors, they would not "work" as game day apparel, worn by fans to sporting events for the purpose of identifying the team they support, and distinguishing themselves from fans who wear the opposing team's colors.

The record below demonstrates that respondent universities both recognize and encourage their fans attending sporting events to wear clothing which displays the team colors. For example, an affidavit submitted by respondent University of Oklahoma on summary judgment stated as follows:

> "On gamedays, a sea of crimson rolls through OU's home arena and all Sooners are urged to wear the official colors to show the rest of the country what school spirit and Sooner Pride is all about." *Affidavit of Richard Hart*, at 3, ¶ 7, Exhibit 4 (PL-OK 01179).

The question presented in this case is whether the University of Oklahoma Athletic Department will receive a royalty payment for each of the apparel items which collectively form that "sea of crimson".

In this case, respondents' school colors serve an aesthetic purpose which is "wholly independent of any source-identifying function" and "cannot practically be duplicated by the use of alternative designs." The Fifth Circuit's rejection of aesthetic functionality eliminated any possibility that respondents' school colors, an aesthetic feature, might be considered functional as this Court contemplated in *Qualitex*.

CONCLUSION

The petition for certiorari should be granted.

Respectfully submitted,

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